

THE FUTURE
OF LOCAL
GOVERNMENT

G.D.H. COLE



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GOVERNMENT

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By

G. D. H. COLE

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Contents

| CHAPTER | PAGE |
|--|-------|
| 1. A FINANCIAL IMPASSE | I |
| 2. THE CASE FOR THE REGION : ECONOMIC . | 9 ✓ |
| 3. THE CASE FOR THE REGION : POLITICAL . | 18 ✓ |
| 4. THE CASE FOR THE REGION : SOCIAL . | 27 ✓ |
| 5. REGIONAL ADMINISTRATION <i>versus</i> "DEVO- LUTION" | 36 ✓ |
| 6. THE REGIONS OF ENGLAND : REGIONAL CENTRES | 44 |
| 7. THE REGIONS OF ENGLAND : REGIONAL DIVISIONS | 56 |
| 8. THE COMING OF THE REGION | 73 ✓ |
| 9. GOVERNMENT WITHIN THE REGION . . . | 85 ✓ |
| 10. REGIONAL FINANCE : TAXATION AND RATING | 94 ✓ |
| 11. REGIONAL FINANCE : PUBLIC SERVICES . | 103 ✓ |
| 12. SOCIALIZATION | 109 |
| 13. THE POSSIBILITIES OF JOINT ACTION . | 119 |
| 14. GENERAL <i>versus</i> AD HOC AUTHORITIES . | 126 |
| 15. LOCAL GOVERNMENT AND WORKERS' CON- TROL | 137 |
| 16. DIRECT <i>versus</i> INDIRECT ELECTION . . | 146 |
| 17. "WEBBISMUS" | 155 |

Contents

| CHAPTER | PAGE |
|---|------|
| 18. LOCAL GOVERNMENT AND THE CO-OPERATIVE MOVEMENT | 163 |
| 19. TOWARDS THE COMMUNE | 174 |
| INDEX | 183 |

MAPS

| | |
|--|-----|
| 1. THE PROPOSED REGIONS OF ENGLAND | 55 |
| 2. EDUCATIONAL AREAS | 87 |
| 3. HOUSING AREAS | 161 |

The Future of Local Government

CHAPTER I

A FINANCIAL IMPASSE

LOCAL Government seems, to many people, an uninspiring study. The school of Socialists, very influential in this country in the past, which devoted its principal attention to the development of the "municipal enterprise" of a generation ago, has been, then and since then, freely denounced and contemned as advocates of mere "gas and water Socialism." Perhaps, from one point of view, the criticism was just; for it was easy for the local Labour councillor, keenly conscious of the responsibilities of his office and somewhat overwhelmed by the mass of administrative detail in which he found himself involved, to forget all about the wider issues of Socialism, and to devote himself entirely to his efforts to improve the housing, sanitation, and services and amenities of his native town within the limitations imposed by the present economic and political system. But, if the criticism was in some measure justified, certainly in some quarters the reaction has been allowed to proceed too far, so as to obscure the fundamental importance of the work upon which the local Labour councillor is engaged. For Local Government is a matter of primary concern, above all to the Labour Movement, not only on account of the immediate services which it is capable of performing, but also because of the place which it can be made to assume in a reorganized social system.

In a practical way Labour has recognized this

The Future of Local Government

fact, and has made a determined effort to secure control of the machinery of Local Government. In the majority of areas it has made headway, but not, as a rule, nearly enough to give it a commanding position. Where, as in the Metropolitan Boroughs, it has won sweeping municipal victories, the effect has been to make its representatives on the local Councils, which are dominated by Labour, perhaps more conscious at present of the immense difficulties which immediately confront them than of the still greater opportunities which can be created for the future.

For, where Labour has assumed local office, it has done so at a very difficult moment. The general rise in prices has added hugely to the cost of local administration, and, as a local authority cannot "profiteer" in the running of its reproductive services, the rates have inevitably risen, whatever party or section has been in power. The cost of maintaining the services of health and education and the necessary administrative machinery of Local Government, even at their pre-war level of efficiency, has greatly increased, and, in addition, fresh administrative work has, throughout the war years, been entrusted to the local authorities by the central Government. At the same time the State, burdened by the vast expenditure of the war, has raised its taxation to heights previously unknown, and has been driven to resort to borrowing on an unprecedented scale. The distressed taxpayer of the middle class, unable to influence the volume of national expenditure, has turned in despair upon the local authorities, and is clamouring for a reduction in local taxation, which the continued increase in costs is forcing ever higher. Moreover, the State, as its claims eat more and more deeply into the "taxable surpluses" of the middle class, comes increasingly to regard the local authorities as its competitors in the scramble for revenue, and attempts to augment, both directly and indirectly, its central control over local expenditure. This applies not only to proposals to

A Financial Impasse

add to the rates, but also where the local authority desires to borrow money for municipal development. For, in borrowing also, the local body, even if it is not backed by the credit of the nation, is a competitor of the State in the money market; and large local borrowings make less easy the raising of State loans, and may force up the rate of interest which the State is called upon to pay.

It must be remembered that already, before the war, it was commonly contended that the burden of the existing local services was too heavy to be borne on the unsatisfactory basis of the local rating system, and, in 1914, promises had been made of substantial further assistance to local authorities by increased grants in aid of certain health and educational services out of national revenue. But the war has practically destroyed the possibility of looking to the State, as long as it is weighed down by its present financial burdens, for any relief of existing local taxation, and a situation which was bad enough in 1914 has become infinitely worse now. The demand for "economies" is being pressed with growing vigour upon the local authorities, and "economy" is interpreted to mean not only that less must be spent on vital services such as education, which, from the narrowly financial point of view, bring no return, but also that less money must be borrowed at the present high rates of interest, and, therefore, that even the most necessary reproductive services cannot be developed.

A Labour Party, assuming local office in such a situation, has anything but a pleasant task before it. On the one hand, the Labour Movement stands for more and fuller education, for greatly developed health services, and for better local amenities, all of which, however manifold their cost may return indirectly to the community as a whole, are directly expensive to the local authority. It is of no use to pretend that these aims, greatly as they may be expected to minister to better production and service and to a fuller and

The Future of Local Government

happier life for the common people, will not immediately increase public expenditure. But, when the Labour councillor, faced with this call for money, seeks to carry out the other side of this Local Government policy, and presses for a big extension of municipally-owned industries and services, he is met by the difficulty of borrowing large sums under the existing conditions of national semi-bankruptcy. Even if the extended services which he desires to establish would be directly productive of revenue, it is not an easy matter to secure the required parliamentary powers, and every vested interest that is opposed to municipal expansion will conduct its resistance under the cloak of appeals for public economy. The raising of loans means further expenditure now; and, even if it can be shown that more than all the cost will come back in due time, the average ratepayer does not, and will not, take a long view.

The recent victories of Labour in the sphere of Local Government have, therefore, only contributed to a fuller realization of the seriousness of the present situation. The advocates of municipal development find themselves in a state of siege, and against them their opponents employ the "blockade" weapon of financial stringency. Few are prepared publicly to dispute the desirability of more education or of fuller public health services; but every plan for their extension is met by the argument that the country "cannot afford it." Even measures which have been approved by Parliament, such as the Education Act of 1918, are prevented from coming into force on this ground, and to look to Parliament at present for any large new measures of social development, however little question there may be as to their intrinsic merits, is simply impossible.

There is, of course, far more acrimonious dispute concerning the actual desirability of the extension of "municipal trading," as it used to be called. Advo-

A Financial Impasse

cates of private capitalism, even if they have come to accept, or even, as in Birmingham and other cities, to advocate public ownership of a certain considerable range of public utility services, are, as a rule, strongly opposed to developments which can be held to encroach on the sphere of "private enterprise." Thus, although the capitalist methods of conducting industry are more than ever before discredited in the eyes of the public as the result of war-time experiences of inefficiency and profiteering, this fact has only served to intensify the opposition to any growth of publicly-owned industries, on either a national or a local basis. Capitalist society, while it is alarmed at the threats of bankruptcy and revolution which menace it, has only taken on the warrior spirit which fear breeds, and is more than ever determined to do battle in defence of its threatened privileges. It resists, not only the rising power of Labour in industry and in politics, local as well as national, but also all measures which, imposed by itself, might help to ease the financial situation at the cost of drastic inroads on private property and capitalist enterprise.

The effect of this situation is to make the development of Local Government more than ever depend on the fortunes of the national struggle for power. As long as the capitalist forces which dictate the policy of the orthodox political parties retain their supremacy in the State, any great new development in the sphere of Local Government is almost impossible. For, although we pride ourselves on the possession of a system of Local Government which is less centralized, and less under official control, than the systems of other countries, the power of the State in British Local Government is very large, and has increased enormously with the growth of local administration and expenditure. That this central control is exercised largely by indirect financial means, such as the power to withhold grants or veto local expansion on financial grounds, makes it certainly no less effective. Indeed,

The Future of Local Government

it has become plain that the idea of Central and Local Governments, to a large extent co-equal within their respective spheres, and presenting a relation, not of superior and subordinate, but of complementary powers, is in fact a mirage. Either Central will in practice control Local, or Local will control Central, Government. In this country to-day we are moving rapidly towards a system in which Central Government, by the final power of the purse, will have effectively destroyed the supposed, though admittedly limited, autonomy of the local authorities.

Administrative centralization, or at least direct central control of administration, is pressing hard upon the heels of central control of policy and development. The Ministries concerned with Local Government, not content with the control which they exercise directly from Whitehall, are pushing their offices and their officials into every district, in order that their supervision of actual administration may be more close and constant. Housing Commissioners are posted in each large area to act under the direct orders of the Ministry of Health, and a plan for a colossal organization of the medical services, centrally inspired and controlled, has recently been announced. Of course, these and similar measures are represented as instances of administrative devolution, and therefore of decentralization; but, although they involve a splitting-up of office organization and a certain devolution of power to centrally-appointed officials for each locality on minor matters, their real effect is an immense increase in the power of the central State over the local authorities. It is the central Department from which the "area" official derives his orders, and it is to the central Government that he owes his allegiance.

I am not contending that, given the present conditions, this tendency can, or even that it should, be prevented. Given our existing constitution, under which the central State is sovereign and the local

A Financial Impasse

bodies derive from it such powers of administration and taxation as they possess, it is inevitable that, when the central State experiences financial stringency, or when the interests which control it feel themselves to be menaced by projected expansions of Local Government, central authority should be more strongly asserted, and local freedom proportionately restricted. Still more is this certain to happen if at the same time the State finds itself compelled, for the execution of services which cannot be provided otherwise or not provided at all, to make additional grants to the local authorities despite its own impecuniosity. Thus, private enterprise in speculative house-building having practically ceased to exist, the houses which are so urgently required that no Government dares to refuse to get them built, have to be erected under the auspices of the local authorities, and the State has to meet a considerable proportion of the cost. But, if it has to pay most of the bill, the State not unnaturally insists on exercising most of the control. The result is that a big slice of the past "autonomy" of Local Government is at once transferred to the central authority.

A real change of central Government, such as would place a different social class effectively in power, would not, by itself, affect this growth of centralization. It would doubtless, if Labour assumed power, make possible a big extension of the activities of Local Government in the sphere both of essential civic services, such as education and public health, and of "municipal enterprise." But, under existing conditions, the first effect of this extension, under any Government, would be almost inevitably a further centralization of power. This effect need not be permanent; but it could be counteracted only by large measures of political readjustment in the sphere both of finance and of Local Government structure. As long as the sources of local finance are so limited that they cannot bear any considerable expansion, and as

The Future of Local Government

long as the areas of Local Government are such as to make possible neither a better system of local taxation nor an effective conduct of some of the most important reproductive services which local authorities might, under other conditions, properly undertake, the extension of municipal functions is practically bound to involve the increase of central control.

The first purpose of this book is to consider the possibilities of a reorganization of Local Government which will make feasible both a vast expansion of the civic and economic services which it performs for the community, and the carrying out of these functions on a basis of real and effective autonomy. I do not pretend to believe that these changes are likely to be carried out by any capitalist Government; but the future is not with capitalism, or with Governments which derive their power from capitalist sources. Circumstances will force upon this country before long a drastic reorganization of its political and economic system; and it behoves us to be ready with our plans for this remodelling in the sphere of Local Government as well as elsewhere, and to attempt, if possible, to find means of easing the transition from the old system to the new.

CHAPTER II

THE CASE FOR THE REGION : ECONOMIC

A PART from the anomalous survival of the Boards of Guardians and certain special bodies such as Port Authorities, English Local Government is now based on the principle of elected authorities to which is entrusted the care not of any single function, such as education, but of all the functions of local administration which have to be exercised over a particular area. This description ignores the fact that, except in the large towns, these administrative functions are often shared between more than one authority—a County Council and an Urban District Council, for example, or a County Council, a Rural District Council, and a Parish Council. But this fact is not important for our present purpose; for, even where there are several different authorities operating within the same area, the distinction between them is not that they deal with different functions, but that they exercise complementary powers mainly in relation to the same functions. Thus, in a rural parish, the Parish Council, the Rural District Council, and the County Council all possess concurrent powers in the sphere of public health, or in that of the provision of local amenities. In other words, English Local Government is based, not on the *ad hoc*, but on the *general*, authority. It is not quite the same in Scotland, where there are still separate bodies to deal with education; but, even then, the principle for most of the functions of Local Government is the same.

By far the most important areas, for purposes of Local Government administration, are the Borough and the County. The Borough, with its elected Council, is the normal form of urban government,

The Future of Local Government

and possesses by far the most developed types of administrative machinery. Its highest form is the County Borough, which has, concentrated in the hands of its Council, the highest degree of authority and self-government conceded to any kind of local body. The County Borough is immune from control or interference by the Council of the County within whose geographical area it lies. Administratively, it is a County as well as a Borough, and, broadly speaking, it exercises both types of authority. The ordinary Municipal Borough is not so completely self-governing. For certain purposes, it falls within the administrative area of the County; but in most respects, unless it is very small, it possesses an authority and an immunity from County interference approximating to that of the County Borough. A third type of Borough authority exists in the Metropolitan Boroughs within the area of the London County Council; but the powers of these are far more restricted, since many of the most important administrative functions are in the hands of the L.C.C.

Not all urban areas, even of importance and large population, have the status of Boroughs. Walthamstow, for example, which had 124,000 inhabitants in 1917, is not a Borough, whereas Shaftesbury, with only 1800, is. But this anomaly only occurs in the case of the newer urban aggregations, most, but not all, of which become Boroughs when they attain to the requisite size and importance. Urban areas which are not Boroughs are administered by Urban District Councils, the powers of which are only slightly more restricted than those of the ordinary Municipal Boroughs. The Urban District is included in the County area for a number of purposes; but it, too, is to a large extent self-governing, in the sense that it is largely independent of any other local authority's jurisdiction.

As the Borough is the predominant type of urban authority, the County Council is the typical form of

The Case for the Region: Economic

Local Government in the countryside. The nominal area of the Administrative usually coincides with that of the geographical County; but in certain instances, including Yorkshire, Suffolk, Lincoln, and Sussex, the area of the geographical County includes two or more Administrative Counties. The most important fact about the County, as a unit of Local Government, is that a considerable part of its area is actually excluded, for many purposes, from its jurisdiction. The County Boroughs form in effect separate Counties, and fall, in any practical sense, outside the area of the Administrative County; and even in the ordinary Municipal Boroughs and Urban Districts its powers are very restricted. It is, in practice, principally a unit of rural administration.

Within the County, and with far less powers of their own than the urban centres, are the divisions known as Rural Districts, and within these again the Rural Parishes. Every Rural District, and every considerable Parish also, has its elected Council, while, in the smaller Parishes which have no Councils, certain functions of minor importance are entrusted to the Parish Meeting of all the Local Government voters in the area.

Thus, in the principal towns and cities, all the important functions of Local Government are concentrated in the hands of a single body, the Town or City Council. In the less important towns and urban centres, powers are divided in varying proportions between the Town or Urban District Council and the County Council; but by far the greater variety of powers is exercised by the urban authority. In the rural districts, power is shared between three bodies, the County, Rural District, and Parish Councils; but the widest range of important powers is in the hands of the County authority.¹

¹ This analysis ignores the special position of Boards of Guardians and other occasional *ad hoc* bodies, since this does not affect the questions raised in this chapter.

The Future of Local Government

It should be noted, therefore, that the County Council is, in the main though not exclusively, a unit of rural government, and not an authority exercising an equal measure of control and co-ordinating power over the affairs of both town and country. In English Local Government, as it exists at present, there is no body capable of exercising such a function of co-ordination. It would be absurd to attempt this within the scope of the present County areas; for in many cases this would mean a complete overshadowing of the rural by the urban point of view, and, in not a few, the complete dominance of a single huge urban aggregation. Moreover, in the great majority of instances, the Administrative Counties, with the Boroughs falling within their geographical borders, are hardly at all real units of economic life or social intercourse. The great towns and cities serve as centres for areas much wider than those of the majority of Administrative Counties; and their relation to the County within whose borders they are situated is, in some cases, little if at all closer than their relation to other neighbouring Counties.

It has often been urged that the County suffers by being, in fact, a residuary area of administration—a residuum of rural areas, after the urban districts, including often the market towns, have been arbitrarily snatched away. But it is recognized as impracticable to bring about the reinclusion, in any effective sense, in the County, of the urban areas which have achieved either complete, or considerable, independence of it. Even apart from particular cases, such as Birmingham, where a great urban centre extends into the geographical areas of several Administrative Counties, it is manifest that the towns, in most cases, simply would not agree to any effective union, for any important group of purposes, with the countryside, on the basis of the existing County areas.

Nor is this to be regretted; for, as we have seen, neither the Administrative nor the geographical

The Case for the Region: Economic

County is suitable as the area over which to accomplish the "unity in diversity" of town and country. If such a unity is to be achieved, it must be, in the majority of cases, over an area considerably wider than that of the County as it now exists. The County is the product of a certain set of historical conditions, and is now, in face of modern developments of industry and transport, obsolete as an administrative unit, even if, in certain areas, it still persists very strongly as a unit of feeling and local patriotism. Whether or not it is still satisfactory as a unit of rural government—a point which we shall have soon to discuss—it is of no use as an area within which a workable synthesis of town and country can be attempted.

The purpose of this book is to put forward a possible basis for a reorganization of Local Government which will bring about this synthesis, and will do so on a scale in harmony with present-day economic development. But, it will doubtless be asked at the very outset, why set about making such a synthesis, even if it be possible? What is the case in favour of the creation of new effective units of Local Government which will bring town and country together? What need is there to upset things by the introduction of this new system? It is not possible, at this early point in this book, to give a complete or conclusive answer, which must depend on many factors still to be considered; but it is possible immediately to urge certain broad arguments of principle in favour of the change. These arguments are in part economic; but they are by no means wholly so. They are, as will be seen more clearly at a later stage, also largely political; and they include important social and psychological elements which must not be ignored.

First, then, it can be urged that the present areas of Local Government are hopelessly inadequate for the effective performance of a considerable number of

The Future of Local Government

functions which it is generally agreed that local authorities, of one sort or another, ought to fulfil. Perhaps the most obvious examples of this inadequacy are presented at the present time by the problems of housing and town-planning and of local transport. In the former case, the obligation to provide reasonable housing accommodation for the inhabitants of its area rests at present upon the local authority. But, in the case of the larger urban areas, it is quite impossible for many authorities to make this provision unless they cause houses to be built outside the area which falls within their immediate jurisdiction. Large Boroughs are therefore more and more compelled to acquire housing sites, and institute housing and town-planning schemes, outside their own borders. This can indeed be done, although there are difficulties in the way; but, even where it is done, it only aggravates, instead of counteracting, the tendency to dropsical growth of the great cities and industrial towns. Any considerable movement of population away from the great towns into the smaller urban areas and country districts is practically impossible under the present conditions; for the less densely populated areas, which are also the poorest as a rule, cannot afford to spend large sums in rehousing the town-dwellers, and all housing enterprise now involves the body which undertakes it in certain loss. The great cities, on the other hand, even when they institute building schemes outside their own areas, create, not new towns or additions to the existing smaller country towns, but suburbs, and thus in due course bring about a further extension of the already overgrown urban agglomerations, and render the creation of fresh slum areas within the towns inevitable.

What is really needed is plainly not mere town-planning, but region-planning—not the isolated attempt of a single urban or rural district to deal with the problem of housing its own population, no matter

The Case for the Region: Economic

how much it may call the art and science of town-planning to its aid, but a systematic scheme of development including both towns and rural areas over the whole of a wide Region. I do not mean by this that the actual execution of all housing and town-planning schemes over a whole Region ought to be placed in the hands of a single authority entrusted with all the affairs of the Region as a whole; but I do mean that, in whatever hands the actual execution of housing and town-planning schemes may be placed, the actual planning can only be done efficiently if it is in the hands of a body which can represent the point of view of both urban and rural centres over an area much wider than that of most of our existing Local Government authorities.

Or take the problem of local transport—in its simplest form, the problem of tram and omnibus services. It is possible for a local authority operating a tramway service to secure powers to run its trams within the area of a neighbouring authority, and this is in fact often done, or adjacent services are linked together by means of friendly arrangements for joint working. But no one can contend that, in a large number of cases, this is an adequate or satisfactory way of getting round the difficulties presented by the unsuitability of many of the existing local areas for the conduct of an efficient system of road transport. The present situation results in a failure to provide services for many areas which ought to have them, in the constant occurrence of "dead ends" to tramway systems which ought to be linked up with neighbouring systems, and in inadequate attempts to meet the case by means of connecting 'buses which have, as a rule, to be privately owned.

There is an overwhelming case, from the standpoint of public convenience and efficiency of service, for the regional planning of publicly owned road transport services. This need not mean that, in all cases, all such services within the larger area sug-

The Future of Local Government

gested must be owned and operated by the authority dealing with the area as a whole; but, as in the case of housing and town-planning, it does mean that the plan itself must be regional, even where actual ownership and administration remain to a greater or less extent in the hands of the existing local authorities.

These are merely two selected instances of the inadequacy of the present Local Government areas to the effective performance of vital public services. The inadequacy itself applies far more widely—in the spheres of public health and education as well as to housing and transport development. It applies fully enough in the cases of existing services; but it operates so as not only to reduce the efficiency of the existing work of Local Government, but also decisively to hamper its further development. A single instance, out of many that could be given, will serve to show clearly how this is the case.

Considerable attention has been concentrated in recent years on the problem of electrical power and its development as a public utility and under some form of publicly organized control. The creation of a number of great central power stations in various parts of the country has been proposed, and it has been generally agreed that these stations should serve each a large area or Region embracing both town and country, and linking up the smaller distributing stations operating over smaller areas. In the absence of any form of Local Government organization large enough in area to undertake the ownership and development of this great service, there is the gravest danger that it will be allowed to fall into the hands of private persons intent on conducting it for their individual profit. It can, of course, be urged that this and other vital services requiring to be administered over a large area might be entrusted to federations of the urban and rural authorities concerned; but there are very strong objections to a multiplication of *ad hoc* federal bodies, and it can hardly be disputed

The Case for the Region: Economic

that the service could be better and more democratically conducted under the ownership of an authority directly constituted on a regional basis.

Of this and similar services, and the possibility of their effective development under the auspices of regional authorities, there will be a great deal more to say later in this book. But for the moment I am concerned only to present the arguments for a regionalization of Local Government in the broadest possible outline. Those who find the economic arguments in its favour advanced in this brief chapter inadequate may turn to the later chapters in which they are more fully developed.

CHAPTER III

THE CASE FOR THE REGION : POLITICAL

THE economic case for a regional organization of Local Government rests primarily on the clear inadequacy of the existing local authorities, because of the restricted areas which they usually cover, to provide for the proper performance of certain of their existing functions, and on the still plainer impossibility of a large expansion of public services locally controlled without a reorganization of Local Government areas. The political case for regional organization, on the other hand, is based not so much on a consideration of the present position of Local Government as on an understanding of the *impasse* at which this country has arrived in the sphere of national administration. Almost every writer on modern political institutions, no matter to what school of thought he belongs, has dwelt upon the problems raised by the alarming growth in recent times of the administrative machinery of the central Government. Even the most ardent believers in the efficacy of parliamentary institutions have recognized that, under the existing conditions, it is quite impossible for Parliament to exercise a real control over the doings of the Government, or for either Parliament or the Government itself to supervise properly the work of central administration. The vast overgrown central Departments escape inevitably from effective public control, and, even by those who regard Parliament itself as a democratic body, it cannot be maintained that the principles of democracy have been in practice applied to the sphere of administration.

That there are reasons for this in the "class" structure of the State I am fully aware; but I am

The Case for the Region: Political

concerned now to point out, not the vices of the "class State" itself, but the difficulties and lapses from democracy which result directly from the overgrowth of the State machine, and would exist even if the State were not dominated by a particular social class. Any real reconciliation of democracy—even of the "democracy" in which the orthodox political parties profess to believe—with the maintenance of the present dropsical condition of central Government is simply impossible. In theory the House of Commons has to-day two principal functions, legislation and the control of administration. But it is quite impossible for it to fulfil either of these functions efficiently. Doubtless the actual present organization of the House of Commons, and the very curious procedure by which it conducts its business, make its inefficiency greater than it need be, even under the present conditions of congestion. But, however drastically the internal organization of Parliament might be altered, the essential impossibility of the task which confronts it would remain. Even if it abandoned all attempt to exercise any control over administration, it could not properly dispose of the mass of legislative work with which it is called upon to deal: and, even if it were not required to legislate at all, it could not hope to exercise any effective control over administration. This is partly a question of time; but it is by no means wholly so. Even if there were a hundred hours in each day, and legislators were endowed with a superhuman power which enabled them to remain awake and active for every hour of every day in the year, the task before them would still be impossible. It would be so for the simple reason that the range of questions with which they are called upon to deal is so wide, and demands so vast a repertory of special knowledge and interest, that no body of men could possibly pretend to possess it.

The Future of Local Government

I do not suggest that any expansion of Local Government, however considerable, will by itself dispose of this difficulty, or reduce the task of the national, or of the local, legislator to manageable proportions. But it has been very widely recognized that, whether some form of political devolution is the solution or only one part of the solution of our problem, a transference of any considerable part of the legislative and administrative responsibilities of the State to smaller localized bodies within its area would have very great advantages in affording more time and opportunity for the consideration of important questions, and also in simplifying the work of central Government. It is, indeed, often contended that, great as these advantages would be, they would be more than offset by the bad effects of destroying the legislative uniformity of the whole of Great Britain; and this is an argument with which we shall have to deal at a later stage, when we come to consider the case against regional democracy. But even those who object strongly to legislative devolution are often keen advocates of devolution in the administrative sphere, and recognize fully the evils which flow from the present centralization of the bureaucratic machine in Whitehall.

There are, however, several degrees of administrative devolution. The present tendency, strongly marked in certain recent extensions of Government activity, is towards a decentralization of actual administrative machinery, without any corresponding decentralization of executive control. Instead of dealing with all questions from his Whitehall office, the modern bureaucrat is well content to plant out his officials all over the country; but he usually pursues them with a stream of orders, regulations and circulars, by means of which almost the whole effective power is retained in the hands of the central Department. Decentralization in such a form, although it may pave the way to a more reasonable system, for

The Case for the Region: Political

the time being serves mainly to aggravate the problem. It enables a still greater overgrowth of the Departments to take place, and facilitates an extension of their interference in matters of detail as well as on broad questions of policy. Reinforced by their provincial staffs, the Minister and Permanent Under-Secretaries gird up their loins for fresh onslaughts on the public, and "administrative devolution," in this form, then becomes an excuse for a further real concentration of power.

There is, however, another possible form of administrative devolution, which would result in a real decentralization of power, and not merely of office accommodation. This seldom occurs in practice, for the "will to power" is strong in the political and permanent heads of the Departments of State; but it does take place in some small degree in proportion as discretionary power is conferred on local officials of the Departments. As soon, however, as there is any approach to devolution in this form, a fresh problem at once presents itself. Control is removed one stage further from Parliament, and new possibilities of corruption and undemocratic action present themselves. Devolution in this form clearly demands the presence, in the areas over which the powerful regional officials of the Government exercise their administrative and executive authority, of popular bodies able to watch their doings and exert over them a measure of control. Indeed, where devolution takes place in this higher form, it is far better that the powers which are let go by the central authority should be transferred not to local or regional officials appointed by, and responsible to, that authority, but to popularly chosen regional bodies.

In the majority of cases, where an administrative function which involves the taking of decisions is devolved by the central authority, and is thereafter exercised over an area small enough to be comprehended by an existing local authority, the task of

The Future of Local Government

administration is placed directly upon the local body, or on some body which it largely controls and has a large part in forming. The growth in recent years in the number of statutory Committees attached to the County and Borough Councils is largely the result of this tendency. But, as soon as there is any question of devolving a function which requires to be exercised over a wider area than that of the present local authorities, there is no body in existence to which the function can be assigned, or to which the new organ created for its performance can be attached. There is thus a strong motive for assigning it to an official instead of to an elected body, and, in consequence, a strong inducement to advance devolution only to the first stage of "personnel devolution," without accompanying this by any real decentralization of power. Herein lies a strong argument for the creation of representative Local Government bodies covering a wider area than those which now form the basis of our local administration.

It has frequently been observed that, as the amount and complexity of the State's work increases, it becomes harder and harder to draw a clear distinction between legislation and administration. As the pressure of legislative demands on Parliament grows more heavy, resort is inevitably had to devices for the increase of output. The most frequent of these devices is to make the Act of Parliament itself largely a measure conferring wide powers on the bureaucracy, which is given authority to issue all manner of orders and regulations having the force of law. The growth of this tendency is to some extent obscured by the fact that Acts of Parliament themselves grow, not shorter, but longer and more complex. Nevertheless, it is a very real and important sign of the advancement of bureaucratic power. For every law that the legislator makes, the bureaucrat now makes half a dozen; and, although these are supposed to be mere fillings in of details too unimportant to deserve direct

The Case for the Region: Political

parliamentary attention, the tendency is for the extent of the powers conferred in this manner to increase very rapidly indeed. It is true that provision is sometimes made for these orders and regulations to be laid on the table of the House of Commons before they become effective; but, except in the most glaring cases, the congestion of parliamentary business usually renders discussion of them impossible. Even if a particular order is discussed, the general body of legislators is scarcely expected to know anything about the contents, and, after a perfunctory debate, it is usually approved by the mechanical majority which is part of the outfit of any modern "democratic" Government.

This secondary, but growingly, important form of legislative power is thus becoming every year a more useful instrument of the central bureaucracy. It represents a real abdication by Parliament of a portion, already considerable, of its theoretical authority, and it makes increasingly urgent the devising of some corrective. Certainly a valuable achievement in lessening the abuse, if not a complete removal of it, would be the creation of larger Local Government authorities to which a considerable part of this subordinate legislative function could be directly assigned.

But it is not only in those realms, in which Parliament has abandoned the attempt to legislate, that the need for regional government arises. The legislation which Parliament does achieve is often quite as objectionable as that which it assigns to the central official caste. There is, every year, a scramble for priority among the advocates of various parliamentary Bills of all degrees of importance and unimportance, of good and bad intention. The almost complete monopoly of the "time of the House" which the Government has now assumed means that legislation on the initiative of private members or Opposition Parties is rapidly ceasing to exist. But, even when

The Future of Local Government

this form of legislation has been nearly eliminated, there remains a terrible congestion, and savage internecine wars are waged for priority both among the Government's supporters in Parliament and between the various central Departments themselves. Unfortunately, the factors which make for success in these conflicts are by no means only consideration for the public weal and the devotion of Ministers and M.P.s to national efficiency and democratic freedom. Even apart from the struggles of rival "powers behind the throne"—competing commercial interests each seeking priority for the laws necessary to the success of its schemes—Ministers are compelled, by the exigencies of their position, to be always on the look out for "stunts." Every measure which the public is not meant to know about, or about which it does not greatly care, must be covered by a measure which will be "popular," in the sense in which "popularity" is understood by the "popular" Press. Parliament must "hang the Kaiser" or "make Germany pay," in order that the public may not be unduly observant of the manipulation of Parliament by the vested interests by which all modern "democratic" Governments are controlled.

In this hurly-burly of political intrigues and calculations the affairs of the community are ill enough cared for. It is not the measure which is socially most necessary, but that which is politically most advantageous, which is hurried forward, and for which parliamentary time is somehow found. Nor does "political advantageousness" bear any real relation to the desires of a majority of the electorate; for General Elections are fought, not on the general legislative programme of the ensuing Parliament, but on a few selected "stunt" issues, of which frequently no more is heard when the election is over. Bills which are urgently needed are held back again and again, even if there is an obvious preponderance of opinion in their favour, and measures are preferred

The Case for the Region: Political

for which there is no warrant either of social desirability or of actual popular desire.

The affairs of Local Government suffer very seriously indeed in this welter of political life. The most important Local Government measures have a way of being unexciting, and of making bad material for platform orations—a very serious defect in the eyes of the professional politician. They have also a tendency to hit up against the sensibilities of some special interest, and, from the purely political point of view, it is often not worth while to spend energy on conciliating or fighting this interest, and far simpler to let the matter drop. Vital Local Government changes, and especially those which would increase the powers and right of initiative of the local authorities, are therefore obstructed, and resort has usually to be made for every new power to the slow and expensive procedure of private bill legislation.

The impression must not, however, be left that only “stunt” measures, or measures designed to conciliate a particular economic interest, are passed by Parliament. The bureaucracy, firmly entrenched in the control of administration, also exerts a very powerful influence on the work of the legislative machine. The bureaucracy can often secure changes in the law, when even strong pressure from local authorities is impotent to do so. But naturally the bureaucracy is interested mainly in measures which have the effect of increasing its own power. It is constantly pressing upon Parliament measures, and seeking to insert in parliamentary Bills provisions, which will give it wider discretion and control, and will result in further aggrandisements of the central machine. These in turn operate so as to make both the parliamentary and the administrative congestion worse; they add to the volume of public work, and legislation of this type constantly breeds fresh legislation, as well as ever-increasing crops of

The Future of Local Government

administrative orders and regulations. Anyone who can afford it may test this fact for himself merely by taking out for a period an inclusive subscription for all Bills, orders and regulations officially issued by the Stationery Office.

All this congestion at the centre reacts on the local authorities, not only by making it more difficult to secure fresh powers as they are needed, or to avoid the necessity of asking for specific powers by securing generous grants of discretionary authority: it also reacts most unfavourably on the existing work of Local Government. Local action is not helped but impeded by the huge complexity of the central authorities; and delays are constantly arising, at the most inopportune moments, owing to the stupidity, interested or merely bureaucratic opposition, or sheer business of the central Departments. The greater freedom and elasticity which are required in Local Government administration can only be secured by the creation of larger and more clearly responsible authorities to which wider powers can readily be entrusted.

Nor is it only from the standpoint of Local Government that a large measure of devolution is necessary. A relief of the central congestion is also urgently required in the interests of the central Government itself. The "fatty degeneration" of the modern State must be checked; and one way of checking it is to back up the vast authority which has become concentrated in its hands, and to entrust some at least of this authority to the organs of a Local Government system reconstituted on a broader basis to meet modern conditions of industry, transport, and social feeling.

CHAPTER IV

THE CASE FOR THE REGION : SOCIAL

ENGLAND, or even Great Britain, is, in one sense, far smaller to-day than the county of Yorkshire was only a few generations ago. So greatly have the facilities for transport and transmission of intelligence increased that all the dwellers in Great Britain have been drawn far more closely together. This is sometimes treated as a reason for extending the action of the State, and making the forms of social regulation more uniform over the whole area served by what is virtually a single railway system, and constituting a single economic organization. The case advanced in favour of this uniformity of treatment is considered in the next chapter; but here we have first to deal with a somewhat different aspect of the question of national unity and diversity. How far has the decrease in the effective size of Great Britain really obliterated local differences of sentiment and civilization, and rendered impossible any regionalization that is not purely mechanical?

It will be agreed that it is of vital importance that the areas of Local Government should be real and realized unities, in the sense that they must be capable of gathering round themselves a living consciousness among those who inhabit them of a common citizenship based on social realities as well as on purely economic or political convenience. If this condition is not realized, the units of Local Government may be the most scientific possible from the economic point of view, and may be so designed as to afford the maximum of political suitability; but the system will be lifeless, and the method will fail. For local authori-

The Future of Local Government

ties which have not this real feeling of unity to support them will be unable to enlist either the positive service of their best citizens, or the effective support of their constituents: they will be administered either carelessly or by self-interested persons; and they will be weak in contests with the central authority, and will thus have their power and autonomy easily undermined.

The existing local government bodies in this country possess this civic unity in very varying degrees. Many towns, with their Councils, especially in the north of England, have it to a considerable extent. At the other extreme, some, but by no means all, rural parishes possess it strongly. The Counties afford a curious example of the difficulty of generalization. The Administrative County, conterminous in most cases with the geographical County, has, as a rule, a long tradition of historical continuity behind it. It is a unit for many non-governmental purposes—for sports, and for all manner of voluntary associations. But the undoubted sense of unity which the dwellers within the borders of the geographical County feel very seldom attaches itself in any effective sense to the County Council. It is true that, in proportion as the sense of unity among the County-dwellers is strong, the County Council tends to be more or less effective; but it is still broadly true that, whereas the Borough Council is normally a living organ of government, by no means perfect, but alive, the County Council is far more often a mere piece of administrative machinery, and of machinery that does its job none too well.

To a great extent this arises from the fact that the County Council is not given a chance. As we have seen, its effective authority does not extend over all the territory which falls within its borders, and it has habitually even to hold its meetings in a town or city over whose government it has little or no control. It is not really a "County" Council, but a "rest of

The Case for the Region: Social

the County " Council, and it is not easy, despite the example of Isabella and the Pot of Basil, to feel loyalty to what is essentially a fragment.

There is, however, plainly no remedy in an attempt to restore the integrity of the County by bringing the towns within the effective jurisdiction of an enlarged County Council. The towns simply would not, and could not be expected to, stand it; and, although the sense of unity might be stimulated by it, the unity would be that which finds expression in fratricidal conflict. Town interests would, in practice, probably dominate and subject county interests; but the towns would lose the sense of self-government which they now possess. It will need a larger area than that of most administrative or geographical Counties to bring about the reconciliation and integration which we are discussing.

It requires, however, to be emphasized that the sense of unity attaching to Local Government institutions depends, not only on areas, but also on powers. Freedom of development, at least within wide limits, is an essential, not indeed for the creation of the sense of unity in a body of people, but for the attachment of the loyalty based on this sense to a particular institution or set of institutions. It is true that actual repression, if it is vigorous enough, may easily take the place of freedom to develop, and be an even more powerful factor in stimulating local or regional, as well as national, patriotism; but in the absence of repression, it is freedom to develop that is the principal factor. Any real form of local self-government implies, not only that wider specific powers must be confided to the local authorities, but that they must be left, to a great extent, free to carve out new spheres of action and influence for themselves.

The smaller local authorities, inferior in status and dignity to the Borough Council and the County Council, and intermediate between these and the

The Future of Local Government

Parish, usually possess the sense of civic unity only in inferior degrees. Not a few Urban Districts, it is true, are in effect towns; but where such a district is large enough, and has any keen sense of civic consciousness, it can, as a rule, be relied on to seek, at the first convenient opportunity, the actual status of a Borough. The lesser Urban Districts are, in effect, a less developed and unified type of Borough.

The case of the Rural Districts is rather more complex; for the powers which they possess are far less considerable, and the authority essential to any real self-government of the rural areas is so divided between them and the County Councils that any flourishing growth of the civic spirit in relation to either is largely checked. The Rural District Councils are, indeed, little more than Boards of Guardians to which certain extra powers have been assigned. What is wrong with them, as we shall see later, is not so much that they are constituted for the wrong areas as that there is not room, side by side, for two distinct orders of rural Local Government. Either the County Councils or the Rural District Councils—which we shall discuss in a later chapter—must go if there is to be health in the administration of the countryside.

This said, we can return to the question which was asked at the beginning of the chapter. How far is it the case that the reduction in the effective "size" of Great Britain, brought about by the improved means of transport and communication, has rendered obsolete, from the point of view of the social consciousness of the inhabitants, any proposals for regional government, whatever advantages these may present from a purely economic, or from a purely political, point of view? It is clear, in the first place, that better communication and more constant intercourse have by no means destroyed the civic consciousness in the towns. From a purely "bricks and mortar" point of view, Leeds and Bradford are almost a single city;

The Case for the Region: Social

but each retains a very keen sense of its separate identity. This close contiguity is not the normal case; but it is clear enough that there is nothing in improved means of communication to destroy the civic spirit. The tendency to a widening of the urban area by the inclusion of surrounding suburbs and ancillary urban aggregations is indeed stimulated; but it is not in the least the case that the citizen of Manchester or Bristol, because he can travel easily to any part of Great Britain, or even because he is not a "native" of the place where he resides, feels no keen sense of local solidarity. The man from another town is no longer a "foreigner" to be kept out by a close ring fence; but the town or city is still just as real a unit of local feeling. This retention of civic spirit is, of course, greatly aided by the fact that the powers of the civic authorities are considerable, although there are many respects in which they are not wide or adaptable enough for free civic development.

The question how far this feeling of unity in fact exists, or is latent, in the rural districts is obscured by the absence of any effective rallying point for it in the sphere of rural administration. It has already been shown why it cannot gather easily round either the County Council or the Rural District Council; but it would be a great mistake to assume, merely because it does not so gather, that it does not exist. One of the most important tasks, in the revitalizing of rural government, is the provision of a rallying point for the "civic" consciousness of the countryside. That it does exist is shown, not in the work of Local Government, save in some of the Parish Councils, but in a thousand and one signs in the everyday life of the rural community, in the sense of the countryside which is still strong in the countryman despite depopulation and urbanization, and could be far stronger if any thought were given to it in the ordering of our governmental institutions.

Here, however, we are not arguing this point, but

The Future of Local Government

introducing it only so far as it is relevant to the main argument of this chapter. If the nearness of everybody, under modern conditions of transport and communication, has not destroyed civic consciousness in the towns, and at the least has not been shown to have destroyed it in the countryside, there is no necessary reason why this nearness should militate against the creation of improved Local Government areas, less than the whole area of Great Britain or of England, but large enough to enable town and country to be brought effectively together into an integral administrative unit on a regional basis.

I am stating the case in this negative way, because it is obvious that the positive answer to the question whether a regional consciousness exists, and can be made the indwelling spirit of a regional system of Local Government, can only be given in connexion with an actual discussion of the area and character of the Regions which are proposed. Before I come to discuss this point, I want to get as clear as possible the reasons why regional organization is to be desired, if it is practicable under present conditions. This involves giving an answer to any objections in which it is contended that an *a priori* demonstration of the impossibilities of regional organization can be given; but the practical demonstration of the possibility of such organization, in a particular form, must come after a full discussion of the general arguments for and against it.

My fundamental object at this stage is to show that it would be a good thing, if it could be done, to possess in this country a regional form of Local Government, based on a regional social consciousness among the inhabitants. The civic patriotism of the towns, and the attachment of it to a definite administrative institution are, it will hardly be gainsaid, good things: social consciousness in the countryside, whether it exists or not in large measure, is, it will be agreed, desirable. But do we not suffer very

The Case for the Region: Social

greatly from the absence of any effective sense of loyalty, attached to a definite institution or group of institutions, intermediate between these and loyalties which apply equally to all inhabitants of Great Britain, or, at least, of England? Can the reconciliation and integration of the interests and ideas of town and country, which are necessary to any real self-expression of the spirit of the people, be accomplished satisfactorily on the basis of our national institutions and loyalties alone? Will it not be true that, as long as our only attempt at this reconciliation is national, it will be ineffective, both because the congestion of the State with other business will inevitably make it feeble and half-hearted, and because the real unity of town and country will largely elude any method of recognizing it which ignores the distinct unities of town and country over broad regions possessing different customs, interests, and cultures, to say nothing of different soils, climates, natural features, or different methods of tillage, manufacture, and administration of services?

This case for regionalist remedies is undeniably strong, and it should be observed that it is not only the national State that suffers from indigestion, but also many other forms of national organization, and the national consciousness itself. Centralization of the State breeds centralization elsewhere, and State decentralization would at once make possible a vast decentralization of many forms of economic activity and voluntary association. Moreover, the national consciousness and conscience are at present expected to concern themselves with all manner of issues which are not really national; or rather, if the national consciousness does not so concern itself, there is no other that is in a position to make its concern an effective source of action. If we want public opinion to influence government, we are most likely to secure this by a wider distribution of governmental functions which will enable public pressure, backed by a real

The Future of Local Government

social consciousness of those exerting it, to be applied at the maximum number of points at which it can be made effective.

Of course, if there is no regional distribution of consciousness, there can be no Region. But there is at least *prima facie* evidence of a regional consciousness in the broad differences which everyone who moves much about his own country observes. In some cases this community, wider than that of the city or small rural area, but far less extensive than that of the nation, seems to be closely bound up with a particular county; but in the majority of cases it is not confined within County boundaries, but extends over a wider area. It is not easy to say precisely on what our clear perception of it is based; and it is manifest that it depends not on any one, nor even on a few, easily ascertainable factors. Many causes, historical, economic, climatic, geographical, educational, contribute towards it; but the fact of its existence is not likely to be disputed. What may far more easily be questioned is whether it is capable of being so delimited as to form a possible basis for administrative unity. It may be urged that, although these broad differences do clearly exist, the "regions of character" which they seem to indicate in fact shade off imperceptibly one into another, so that a large part of the area of the country cannot be confidently assigned to any of the supposed "natural Regions." It may be urged that the case for Regionalism is really based on the fallacy of mistaking a few exceptional cases in which there are clear centres (although not clear borders) of regional consciousness for instances of a non-existent general rule. With these arguments I shall have to deal, if I can, by an actual discussion of proposed regional areas, and an examination of their validity as units of economic and social administration. But I believe that there are comparatively few who will contend, if the potential existence of Regions can be established, that recog-

The Case for the Region: Social

dition ought not to be accorded to them in the structure of British Local Government. There will, indeed, even if the existence of suitable regional units is admitted, be strong differences of opinion as to the degree of power, legislative and administrative, with which they can suitably be endowed; but, if Regions are once recognized and show themselves to possess an effective unity, it will not be easy to resist their claims to as much power as they can satisfactorily exercise, even though the authority originally conceded to them may be very restricted, and may grow up out of the constitution of regional representative bodies to deal only with a single function of Local Government. For example, if a regional authority, constituted in the first instance to deal only with housing and town-planning, proved its usefulness in that single sphere of action, the impetus to the accumulation by it of many additional powers would almost certainly be too strong to be long thwarted by any form of opposition.

CHAPTER V

REGIONAL ADMINISTRATION *VERSUS* "DEVOLUTION"

THROUGHOUT the preceding chapters I have stated the case for regional organization mainly in terms of Local Government, and have represented it as involving an extension of the scope and functions of the local authorities rather than as a scheme of parliamentary devolution. It carries with it, no doubt, a devolution of the work of Parliament, and this is an essential feature of any regionalist scheme, and one of its strongest recommendations. But it is fatal to the whole idea of regional organization that it should be treated as a proposal for the multiplication of Parliaments, instead of as one for the expansion of Local Government. For the methods and forms which are required in the regional bodies whose constitution is suggested are those not of the "Mother of Parliaments," but, far more nearly, of the Borough Councils which administer our great urban centres to-day.

There is, therefore, nothing positive in common between the proposals put forward in this book and the suggestion that subordinate Parliaments should be set up for England, Scotland and Wales.¹ The doing of this, whether or not it is desirable, would not affect the case for regional organization. There is indeed common to the two proposals the negative argument based on the present congestion of Parliament; but it is clear enough that, even if it made this congestion slightly less, parliamentary devolution could in fact do little to remove it. The impossible burden of administrative supervision, and

¹ Of Ireland, as I regard it as an independent nation, I have nothing to say in this book.

Administration *versus* "Devolution"

of dealing with all the internal legislation required by the various interests and Departments, would still remain upon the subordinate Parliaments; and before long the position would become again as bad as it is now. I am not concerned to argue the question whether, on national grounds, "Home Rule" for Scotland, Wales and England is, or is not, necessary to national self-expression; but the proposal for regional organization must be clearly distinguished from this quite different question.

It is very unfortunate that the two have, so far, been continually confused. It is perhaps inevitable that a Committee appointed by Parliament should be quite unable to escape from the point of view of the parliamentary politician, as the recent House of Commons Committee on Devolution clearly was; but there is no such excuse for those who have not the misfortune to be members of Parliament. The Devolution Committee appears merely to have dismissed, without any attempt to examine it, the proposal to establish areas of government on a "provincial" or regional basis. They were only considering the establishment of more Parliaments; and any proposal to set up a dozen or more "Parliaments" is manifestly absurd.

We have to escape from the parliamentary obsession in order to tackle the vital problems of government and administration in any constructive way. Mr. F. W. Jowett's name has, indeed, become closely connected with a proposal that the methods of conducting parliamentary business should be remodelled largely on the basis of the existing procedure of local authorities. His projected "Committee System" for Parliament, which has little or nothing in common with the Committee Systems already in operation in certain foreign legislatures, is in essence an adaptation of the procedure of the Bradford City Council to the business of the House of Commons. As a proposed reform of present parliamentary methods

The Future of Local Government

there is a very great deal to be said in its favour; but in facing the problem of regional administration we shall be well advised to have nothing to do with "Parliaments," however modified, and to build openly and completely on the basis of Local Government methods and procedure.

The whole problem, indeed, is in its essence administrative rather than legislative. I am well aware that, in practice, it is increasingly difficult to draw any clear line between administration and legislation; and, given the proper reorganization of the structure of government, there is no reason why such a line should be clearly drawn. But there is a broad distinction which it is necessary here to keep in mind. Whenever the nationalization of any industry or service is suggested, it is always pointed out that the machinery of Parliament is extraordinarily unsuitable for the administration, or even for the effective supervision, of such nationalized services, both because the politician has no expert knowledge of or concern in them, and because, under the conditions of General Elections and parliamentary business, no real popular control can be exercised, or mandate secured, on matters which are not, in any reasonable sense of the word, political.

Now, the work of the present local authorities is very largely administrative, and has been developed principally with a view to the administration and supervision of services. This is the case even where the local authority has not taken any steps in the direction of what is known as "Municipal Socialism"; for every authority has to concern itself with the administration and supervision of "non-trading" services, such as those concerned with public health, if not also of "trading" services. I do not pretend to believe that the machinery of the local authorities is suitable for the control of industrial administration; for, as a Guild Socialist, I hold that the responsibility for this ought to be placed upon the workers

Administration *versus* "Devolution"

organized as producers rather than as consumers; but I do believe that, so far as the machinery of any "consumers' " body can be fitted for it, that of the local authorities is so fitted, and that, while neither they nor any other body of consumers will conduct the administration of industry in the coming Society, they can and will play an important part in supervision and in the ultimate control of industries and services jointly with the organized producers. This point I have discussed in other books, and it is to some extent dealt with in later chapters of this book; but, whatever conclusion may be reached with regard to it, the contention that Local Government machinery is far better adapted than national State machinery for dealing with the control and supervision of industries and public services is in no wise affected. "Politics," if such a thing need exist, may be the province of "political " bodies : industrial and service administration plainly demands the care of a very different form of organization.

I shall, therefore, continue throughout this book to treat the problem of regionalization as essentially a problem of Local Government, whatever sacrifice of dignity confirmed parliamentarians may consider such a method of treatment to involve. For I, at least, take a very different view of the respective dignities of Parliament and of the local authorities from that of the ordinary advocate of parliamentary institutions. Local Government to-day is indeed vitiated, like Parliament, by that fundamental cause of human ills—the capitalist system; but with the abolition of capitalism Local Government is capable of demonstrating at once the essential sanity of the principles on which it is based, whereas the victory of economic democracy may well serve only to show up further the final futility of Parliament as an instrument of government and administration.

The problem, then, which we shall have to face in the next chapter is not how far the present area

The Future of Local Government

of the State can be divided by the creation of subordinate legislatures, but how far the local authorities can be integrated over wider areas. I do not mean that the function of the integrated regional authorities which I am proposing will not be to some extent legislative: undoubtedly it will be. But if we start from the legislative end we shall get all our proportions wrong. We must tackle the problem first from the standpoint of administration, and only thereafter proceed to consider how far the creation of these wider administrative bodies involves, or makes desirable, the direct devolution of legislative power. All administration carries with it in some degree a power of legislation in detail: the degree of legislative devolution that is desirable, and also the whole form to be assumed by the legislative power in the future, will be far more easily considered when we have dealt more fully with the administrative problem.

We have, then, next to consider in more detail what we mean when we speak of "regional organization"—a phrase which has been used so far almost without explanation. Certain indications have, indeed, already been given, and certain distinguishing marks of the "Region" exhibited. We have seen, for example, that it is of the essence of the Region that it should embrace both urban and rural areas, and should be not, like the present local authorities, either a town or a country authority, but necessarily both. We have seen that it must possess a certain homogeneity, both economic and social; but we have not attempted to define wherein the necessary conditions of this homogeneity are to be found.

The constitution of regional bodies has been advocated by persons of very diverse temperaments and scientific equipments, and different advocates have laid very varying stresses on the distinct factors which have to be taken into account. The pure geographer, for example, will draw—and has drawn—one regional map of England, where the economic

Administration *versus* "Devolution"

geographer will draw—and has drawn—a different one. The expert in language and dialect would draw yet another, and the transport expert another again. Indeed, there is hardly a form of scientific knowledge or expert concern that might not be made the basis of a different regional map. In France, where Regionalism has a far longer and more controversial history than in this country, numerous rival maps have actually been drawn. Historians with royalist sympathies have proposed the restoration of the pre-revolutionary Provinces of the Kingdom of France; Socialists have drawn maps based mainly on economic considerations; another school has based almost its whole case on the building up of each regional area around a definite and clearly indicated capital city.¹

I do not profess, in the suggestions which follow, to base my case on any one predominant principle, least of all that of geography. Geographical features, it appears to me, are only important for regional organization in so far as they are actually reflected, or are likely to be reflected, in other factors. Geography obviously determines, to a great extent, the location of industry; but it is the present and probably future location of industry, and not the geographical feature itself, that, when military considerations are absent, is important from the standpoint of government and administration. Geographical features have also a powerful effect on language, customs, and social feeling on the one hand, and on transport and methods of communication on the other; but the geographical causes are important for government only if they manifest themselves, or are likely to manifest themselves, in these and other social and economic results. In some of the regional schemes which have been put forward, and particularly in one proposed about three years ago by a committee of

¹ For some of these controversies, see *Le Régionalisme*, by M. Charles-Brun.

The Future of Local Government

geographers called upon to advise the Government, it appears to me that far too much importance in the drawing of boundaries was attached to pure geography. Mr. Fawcett, whose draft regional schemes are the best considered that have yet been produced, is primarily an economic geographer, and is not nearly so prone to such mistakes.

But, while the map of each expert will differ according to his particular expertise, I believe it would be found, if a dozen committees, consisting each of a single kind of experts, were set to draw a dozen regional maps of England, that there would be a strong resemblance among all their plans. They might look very different, because they would all place their actual boundaries at rather different points; but the "heart" of the Region is, after all, of more importance than the precise point at which its boundaries are drawn, and I believe that the "hearts" would, in the majority of cases, be the same, however much the apparent shape and conformation of the proposed Regions might vary. This contention is, of course, not susceptible of definite proof unless the actual experiment is made; but a good deal of evidence in support of it can be produced by an examination of the actual regional areas of administration which have been adopted for a wide variety of purposes by Government Departments, Trade Unions, and all manner of voluntary bodies.

For the Region is not a new thing, nor need we begin in the dark the drawing of the regional map of Great Britain. Not only have many theoretical plans been produced: regional areas of administration exist already for an immense number of different purposes. An indication of some of these areas is given in the maps on pages 55, 87 and 161.

It does not, of course, follow, merely because an arrangement of areas has been found, in the existing circumstances, convenient for a particular purpose, that it would be convenient for all, or that it is

Administration *versus* "Devolution"

regarded, even by those who have adopted it, as in itself the best possible arrangement for their immediate purposes. It is often necessary to adapt one arrangement of areas to another, even if this involves a sacrifice of real suitability. For example, the areas of the Housing Commissioners (see page 161) follow, everywhere except in the Metropolitan district, the boundaries of the Administrative Counties; for since the County Councils are important housing authorities, it is manifest that each County must fall entirely within the jurisdiction of a single Housing Commissioner. But it does not follow that the existing County areas afford in themselves the best possible boundaries for housing and town-planning purposes.

Similarly, there may be good reasons for a greater sub-division of areas in the administration of some functions than of others, and plainly a scheme based on the recognition of, say, thirty Regions cannot bear a close resemblance to one which allows for only ten or a dozen. But, even where such variations occur, it may be possible to trace the working of a common principle, and the minuter areas may be found, on examination, to be, in the main, actual sub-divisions of the larger.

I deal with these points in further detail in subsequent chapters; but I want here to deal with principles rather than with the particular scheme necessary for their application. It is, however, clearly necessary, if men are to be convinced of the expediency of regional organization, that they should have an idea, as far as may be, of the actual areas that are contemplated. It is no part of my plan to bring forward a cut-and-dried scheme; but the next chapters at least furnish general indications both of the principles to be followed, and of the main extent of the areas which, on an examination of many different factors, seem to be most plainly indicated as the natural nuclei of an enlarged Local Government system.

CHAPTER VI

THE REGIONS OF ENGLAND : REGIONAL DIVISIONS

I SHALL not attempt in this chapter to say whether the regional method of organization ought to be applied to Scotland. That is a matter, not merely for Scotland to determine, but for Scotsmen to argue. Nor shall I attempt to say whether Wales ought to be regarded as one, or as more than one, Region; or whether the very different characters of the industrial South and the mountainous and pastoral North demand separate organization despite the smallness of the whole country and of its population. Where Wales and Scotland are mentioned in this book, they are treated as single Regions; but this is wholly without prejudice, and no attempt is made to deal with the problem either of Scottish or of Welsh Home Rule as it affects any regionalist proposal.

In the main, it is the regional organization of England that is the subject of this chapter. I do not desire, as I have said, to propose any hard and fast scheme, or to usurp the functions of a Boundary Commission, which should have before it all the data, from the widest possible variety of sources, required for any accurate drawing of regional frontiers. But it is of no use to leave the case for regional organization purely in the realm of general principle; for, before men will take the idea seriously, they will insist that it shall be presented, as far as possible, in a concrete form.

Let us, then, with the map of England before us, see what preliminary indications we can find of the regional areas most suitable for adoption. It would be possible to begin our search by looking either for *borders* or frontiers, or for large aggregations of

Regions of England : Regional Centres

population clearly marked out as regional *centres*. I shall follow the latter course; for the Regions of England will necessarily be determined more by the manners and vocations of the inhabitants than by geographical features. We are not looking for strategic frontiers; for we are not anticipating that the North of England will go to war with the Midlands, any more than Bayswater is actually likely to be attacked by the armed forces of Notting Hill. We shall, indeed, find geographical features important in the consideration of boundaries; but the general character of our Regions will be defined far more by what man has made of nature than by nature itself.

In the regional map given on page 55, certain large centres are indicated by shading. These include the principal areas in which a large population is gathered together, not in a single town or city, but in what geographers call a "conurbation," a considerable group of towns and urban districts all closely connected one with another in relations varying from approximate equality to clear dependence on a common centre. The shaded areas in several cases include, not only a group of towns, but also a coal-field, the only form in this country of dense population outside the urban areas. But these coalfields are all themselves closely related to neighbouring great centres of urban population, and, in any regional arrangement, must clearly be grouped with them.

In England itself there are five, or perhaps six, clearly marked primary centres of this character. By far the largest is, of course, the area embracing London and the group of satellite towns and urban areas around it—Erith, Croydon, Wimbledon, and others to the South; Ealing, Acton, Chiswick, and others to the West; Willesden, Edmonton, Tottenham, Barnet, Enfield, and others to the North; Leyton, the Hams and others to the East. The borders of this vast urban aggregation may be variously

The Future of Local Government

drawn; but it is clear that, so far as the life of its inhabitants is concerned, it forms a single great centre, with many lesser centres, both within and without the borders of the present County of London, inside it.

Next in size comes the great "conurbation" of South and Mid Lancashire. This is thickest in the extreme South, where the whole area between Manchester on the East and Liverpool on the West forms virtually a single great urban centre. Between this line of towns in the South, which extends into Cheshire and Derbyshire, and the area round Blackburn and Burnley in Mid-Lancashire, towns and urban districts are dotted so thickly that the whole of these parts of the county is almost a single urban aggregation, linked up by many lines of railway, and with close common interests in the cotton and textile engineering industries. It would not, indeed, be true to describe all South and Mid Lancashire as in any sense a single urban centre; but it is a closely connected series of towns which, in any regional scheme of government, it would clearly be impossible to divide.

Third comes the aggregation of towns in the area round Leeds and Bradford in the West Riding of Yorkshire. There are not so many big towns here as in Lancashire, nor is there anything like the same total concentration of population. But the West Riding towns, with their common interest in the woollen industry and in engineering, particularly textile engineering closely connected with the woollen industry, form another clear group which would necessarily form a nucleus in any scheme of regional organization.

Here, however, a problem of some difficulty immediately arises. To the south of the woollen areas is another group of towns centring upon Sheffield. From the Leeds to the Sheffield conurbation the area of dense population is not quite continuous, but there is no sharp dividing line, the Yorkshire coal-

Regions of England: Regional Centres

field round Barnsley serving to some extent as a connecting link. This South Yorkshire group of towns, including Rotherham and Doncaster, spreads across the county boundary into Derbyshire and Nottinghamshire, and has very close relations with the northern part of Lincolnshire. Its character, both industrially and socially, is very different from that of West Yorkshire, and the question at once arises whether it should be treated as part of the same regional unit, or made the nucleus of a distinct unit of organization.

The fourth great urban aggregation centres upon Birmingham, and includes all the Black Country towns between Birmingham and Wolverhampton, and to the west of Birmingham. Coventry, to the south-east, does not quite connect, but clearly forms part of the same group.

The fifth great centre is Newcastle, with Gateshead and all the towns along the banks of the Tyne to the Shields and Tynemouth. Closely connected with this group is Sunderland, and, indeed, all the coast towns of the north-east centre directly upon it, as do the coalfields of Durham and Northumberland.

In Wales, smaller than these, but very large in proportion to the population of the country, Cardiff and the towns of the Glamorgan and Monmouth coalfield form a corresponding group—obviously the natural nucleus of a regional organization.

These are the major "conurbations"; but, before we can begin the task of suggesting, even in outline, a regional scheme for England, there are certain secondary or smaller groups of which we must take notice. These include, first, the cluster of "Five Towns" now grouped in the Borough of Stoke-on-Trent, with their neighbours still outside its borders—the home of the pottery industry and the centre of the North Staffordshire coalfield. Nottingham, and the group of towns lying to the north of it, form a second group, closely connected with Derby and

The Future of Local Government

Ilkeston. Chatham, Gillingham, Rochester and Strood and Brighton, Hove, Shoreham and Worthing in the South-East, Bristol, Avonmouth and Bath and Plymouth, Devonport and Stonehouse in the South-West, are other urban aggregations of this secondary type. In other parts of England there are often large towns with satellite urban areas closely connected with them; but these are the most important actual aggregations of urban centres at present self-governing and independent.

It seems clear at the outset that, whether or not each of these aggregations is marked out as the centre of a self-governing regional area, at any rate any regional map must be so drawn that none of them is actually divided by a regional boundary. For each of these great urban areas, however much it may be subdivided at present into separate boroughs and urban districts, is in effect an economic and to a large extent a social unit. We have, as far as possible, to draw our regional boundaries along lines of sparse population, and in any case to preserve and recognize the unity of the great urban agglomerations.

For this reason, if for no other, any regional scheme which aimed at making Liverpool the centre of one Region, and Manchester the centre of another, could be ruled out of court. It is true enough that many voluntary associations, for their own administrative purposes, divide South-West from South-East Lancashire, and constitute two divisions, centred respectively upon Liverpool and Manchester. But, as soon as the main functions of local self-government are considered, any such separation becomes manifestly artificial and absurd. There is no possible place for a regional boundary in the tangle of urbanized areas lying between Liverpool and Manchester. Any division is purely arbitrary, and, although such division may do when it is mainly a question of giving a particular organizer or committee a manageable task, it clearly will not do when the

Regions of England: Regional Centres

whole of the functions of local self-government are concerned. Not only is there no possible boundary: the economic and social relations between Liverpool and Manchester, and the whole area lying between them, are so close, that any policy of separation is impossible.

Similarly, it is not possible to conceive of any scheme of regional organization for the metropolitan area which would not include in a single Region, not only London itself, but the huge urban aggregation around it, from which its workers sally forth every morning, and to which they scatter home every evening. The towns around London have no meaning and no reason for existence except in relation to London; and many of the problems of metropolitan administration at the present time are directly due to the fact that they are arbitrarily cut off from London by municipal and county boundaries, without any wider form of common organization to bring them together into a single unit.

The centres, then, for which we must look as indicating the character of the regional areas of which we are in search are, in the first place, not so much single large towns as aggregations of towns bound together by close bonds of common social and economic interest. These aggregations will not indicate the centres of all the Regions; for there are certain parts of England which have still, mercifully we may say, not reached the stage of urbanization under pressure of modern industrial and commercial conditions. But, by taking first the urban areas which are clearly marked as the centres of distinct Regions, we shall at any rate greatly simplify the problem of indicating possible lines of regional organization for the country as a whole.

London, then, in the first place, is indicated with almost embarrassing plainness as a necessary regional centre. The area under the jurisdiction of the London County Council alone had, at the time of the 1911

The Future of Local Government

census, a population of no less than four and a half millions, and, when to this are added the urban centres extending uninterruptedly around London, to the distances already approximately indicated in this chapter, a further population of about three millions, on the 1911 figures, is added to that of London itself. Here, then, we have our first, and by far our largest, regional centre, possessing itself a population considerably in excess of that of all Lancashire, and embracing no less than a fifth of the whole population of England and Wales.

London is always a somewhat disconcerting fact for the Regionalist. The vast population of the Metropolis makes quite impossible, even if it could be secured elsewhere, any approximation to equality of population among the Regions; for in order to make any other Region as populous as London, it would be necessary to throw into it areas so widely different in character and interests as to destroy all real unity, and therefore to defeat the aim which Regionalists have most at heart—that of promoting regional self-government on a real basis of common feeling and sense of common citizenship.

London, Cobbett's "Wen," probably would not, and could not, exist in its present form under any reasonable social system. Its vast inflation is the direct product of a commercial and book-keeping civilization. But, for the purposes of any reorganization of Local Government machinery, the vast size and certain further expansion of the Metropolitan area have to be accepted as facts. A large Region, with an abundant population, centred upon London, is inevitable, and must to a certain extent destroy that balance of Regions which is, perhaps, ideally desirable; but this awkward fact is an argument, not against Regionalism, but against the social system which has caused London to grow so fat.

Apart from the Metropolis, certain of the areas of dense urban population which have been already

Regions of England: Regional Centres

described are clearly marked out as necessary regional centres. Wherever the actual capitals may be placed, the South Lancashire urban group is obviously the centre of one Region, and the West Riding group around Leeds and Bradford of another. Birmingham, and the towns surrounding it, are obviously the centre of another distinct Region—the West Midlands, and the Tyne of yet another—the North-East Coast, with its shipyards, coalfields and metal industries. We may therefore at once say that the centres of five Regions are indicated, even by a cursory study of the map, with a plainness that removes all shadow of doubt.

In the rest of the country there are no urban groups marked with quite equal clearness as the inevitable centres of large and populous Regions. Bristol, however, is obviously the capital of a considerable part of the West Country, and it seems beyond dispute that it must be so recognized in any regional scheme. We may safely add Bristol, though the urban group around it is far smaller, and the concentration of inhabitants in the area which it dominates far less, as the centre of a sixth Region.

So far, we have indicated no clearly defined regional area in the East of England except London and the Tyne. The East, indeed, including the East Midlands, offer problems more difficult than the West, partly because of sparse population in the Eastern Counties, but also because of the complication caused, as I have mentioned already, by the area in South Yorkshire, centring upon Sheffield and the South Yorkshire coalfield. There are, in the area of South Yorkshire and the East and Central Midlands between London and the Leeds-Bradford conurbation, four urban areas of considerable size and economic and social importance. The first of these is the area round Sheffield, extending to Doncaster on the East; the second is the area round Nottingham, with which may

The Future of Local Government

perhaps be included the third around Derby; the fourth centres upon Leicester.

Sheffield is, in many ways, a half-way house between the central area of the West Riding and the East Midland area round Nottingham and Derby. Mr. Fawcett, in the regional scheme proposed in his book, "The Provinces of England," makes it the centre of a distinct Region, "Peakdom." Most other schemes include the Sheffield area with the West Riding of Yorkshire, despite its very clearly distinct industrial interests and social characteristics. The Ministry of Labour, in its arrangement of administrative areas, which was also adopted by the Ministry of Munitions during the war, solved the problem, for its own purposes, by grouping Yorkshire and the East Midlands in a single division; but, as soon as any real system of regional self-government is contemplated, this is out of the question. Yorkshire and the East Midlands have neither the social nor the economic unity necessary for successful regional government under a single administration.

Either, then, we must follow Mr. Fawcett and make Sheffield itself a separate regional centre, or we must group it either with the rest of the West Riding or with the area to its south. I recognize the attractions of Mr. Fawcett's proposal; but I am not prepared to adopt it because the arrangement which he suggests seems to leave Sheffield too much isolated. The area which he proposes to include in "Peakdom" is very small; but it cannot be extended without including districts obviously connected closely with Nottingham and Derby. Even as he defines it, it cuts the Derbyshire and Nottinghamshire coalfield in half, and, socially, the cut which it makes across Derbyshire is not based on any real difference of feeling among the inhabitants. The Sheffield area, with its own University, its own industries, and its very marked social characteristics, is admittedly a problem; but I doubt if Mr. Fawcett has solved it.

Regions of England : Regional Centres

Nor does the inclusion of the Sheffield area with the East Midlands seem a very hopeful suggestion, although there is more to be said in its favour. The difficulties here arise mainly in connexion with the southern part of the East Midland area. Sheffield has a good deal in common with Nottingham and Derby, but very little with Leicester or Northampton. On the other hand, these centres have a very great deal in common one with another, and it is hardly conceivable that a regional scheme should divide them. I have, therefore, while recognizing the difficulties and objections, provisionally grouped Sheffield with the central area of the West Riding.

The East Midlands, I have said, can hardly be divided. If this is so, and they are to form a Region apart from Yorkshire or any part of it, the area around Nottingham is plainly indicated as their regional centre. We may therefore add, to the six centres already defined, a seventh—the urban area round Nottingham and Derby.

These seven centres are probably all that it is possible for us to discover by this method. Of the remaining centres which have been mentioned in this chapter, none is important enough to be clearly marked out as the centre of a distinct Region. The North Staffordshire area round the Five Towns is plainly too small to form such a centre, and is not the "metropolis" of any large surrounding area. The Chatham area in Kent and the Brighton area in Sussex both depend largely on London. Plymouth and Devonport are a more difficult problem. They form by far the largest urban centre in the two counties of the extreme South-West, and, if these counties are to form a separate Region, they are plainly indicated as its centre. But are these two counties strong enough to stand alone? With this question we reach the point at which it is necessary to consider, no longer only regional centres, but the wider and more complicated problem of regional

The Future of Local Government

areas and boundaries. That demands a new chapter ; but, before we leave this one, we may conveniently set out in a graphic form the actual regional centres which we have already been able to indicate.

| <i>Centres</i> | <i>Population in 1911</i> | <i>Areas</i> | <i>Approximate Population in 1911</i> |
|-----------------|-------------------------------|---|---|
| 1. Newcastle .. | 266,000 | Tyne and Wear urban area | 1,000,000 |
| 2. Leeds .. | 445,000 | Central West Riding urban area | 1,800,000 |
| 3. Manchester | 714,000 | South Lancashire urban area | 3,800,000 |
| 4. Nottingham | 259,000 | Nottingham-Derby urban area | 570,000 |
| 5. Birmingham | *840,000 | Birmingham-Black Country urban area .. | 1,500,000 |
| 6. Bristol .. | 357,000 | Bristol-Bath urban area | 420,000 |
| 7. London .. | 4,521,000 | Greater London urban area | 7,500,000 |

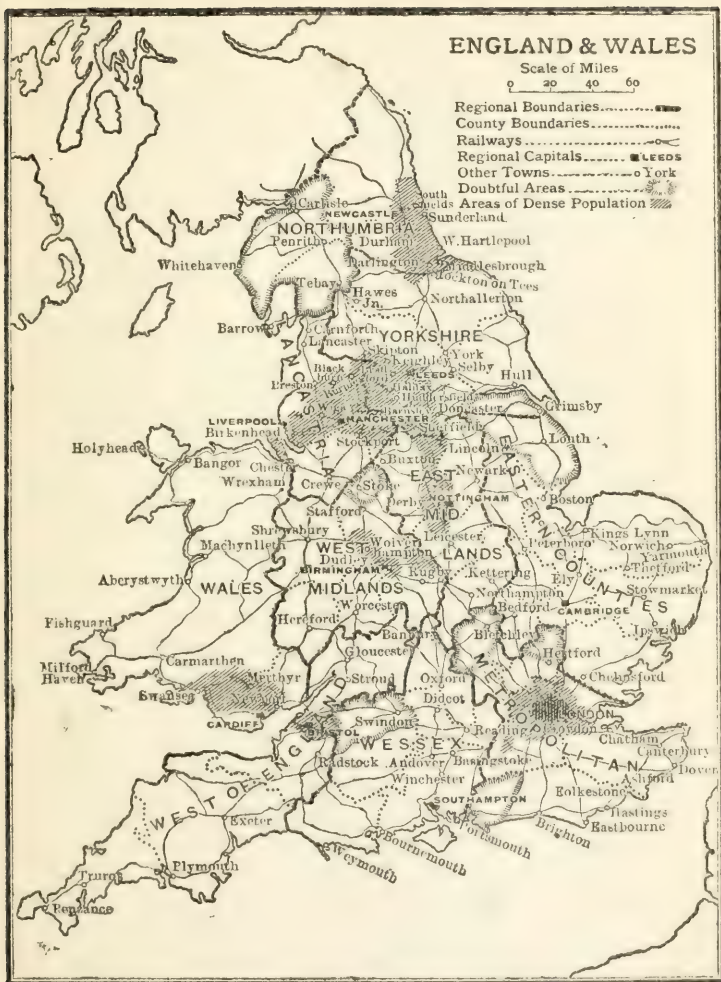
* After extension of boundaries.

ENGLAND & WALES

Scale of Miles

0 20 40 60

- Regional Boundaries.....
- County Boundaries.....
- Railways.....
- Regional Capitals.....
- Other Towns.....
- Doubtful Areas.....
- Areas of Dense Population.....



CHAPTER VII

THE REGIONS OF ENGLAND : REGIONAL DIVISIONS

IN our search for regional boundaries, we begin, not only with seven regional capitals already indicated with sufficient clearness, but with a good many data which help to indicate the general extent and character of the proposed Regions. But clearly the drawing of boundaries is a matter about which there is likely to be far more keen dispute than the indication of natural centres; for the boundaries will be in most cases drawn through tracts of comparatively sparse population, and will be drawn differently according as more or less importance is assigned to geographical, historical, economic and other causes. In the actual arrangement of Regions tentatively proposed in this book, I have made it my aim to follow, as far as possible, the boundaries of the existing Counties, not so much because I believe that, in all parts of England, the dwellers in a particular County feel any strong sense of County corporate life, but because such a method has big historical advantages and is likely to lead to the least amount of administrative complication if a regional system supplants the present forms of Local Government by a series of stages. It is not, indeed, either possible or desirable in all cases to preserve the existing County boundaries intact; but there is no reason why the number of cuts across them that must be made should be enough to cause serious complications.

I shall begin with the area which in many respects presents the simplest problems—the North of England, embracing the Counties of Northumberland, Durham, Cumberland, Westmorland, Lancashire, Cheshire and Yorkshire. Here we have

Regional Divisions

found already three important groups of urban centres, the South Lancashire group, including both Manchester and Liverpool, the West Riding group, centred round Leeds and Bradford, to which we have agreed that the smaller Sheffield group in South Yorkshire should be linked, and the group of coast towns in the North-East, from the Tyne "conurbation" to Stockton and Middlesbrough upon the Tees. Beginning with this last group, we can clearly assign to a single Region, Northumbria, the whole of the Counties of Northumberland and Durham, and also the Cleveland district of Yorkshire, immediately to the south of the Tees. The southern border of this Region clearly follows the line of thin population across the North Yorkshire moors, leaving the coal and iron districts to the north. There seems no reason why it should not follow, subject to any small rectifications that may be agreed upon, the present border of Durham and Yorkshire up to the border of Westmorland.

It is here that the first real point of doubt arises. On the North-West are the two Counties of Cumberland and Westmorland, for the most part very sparsely populated, but including a coal and iron district of some importance round Whitehaven, and practically the whole of the Lake District. The former area has close relations to Newcastle, which has good railway communication and frequent intercourse with Carlisle also. On the other hand, it is also closely connected with Barrow and the detached Furness district of Lancashire, while the Lake District is also closely linked to the Lancashire urban areas. It is a real point of doubt whether Cumberland and Westmorland, which cannot well be divided, and are certainly not rich, large, or populous enough to form a Region alone, should go with Northumbria or with Lancastria. I have provisionally assigned them to Northumbria; but I have marked the whole area as doubtful in the map just given.

The Future of Local Government

Here we have, then, in the extreme North, a Region which, according to the Census figures of 1911, had a population of over two and a half millions, including Cumberland and Westmorland as well as Cleveland, or of nearly two and a quarter millions if the two former are excluded. Within this Region fall in either case nine towns which had then over 50,000 inhabitants, but of these four¹ belong to the Tyne group. Of the rest, four are by the sea,² and all are deeply concerned in the related industries of iron and steel manufacture, shipbuilding and engineering. The last³ is an important railway centre. All these towns lie close together, connected by many lines of railway, and largely dependent on the mines of Durham, Northumberland and Cleveland. There is agricultural land in the West of Durham and to the North of the Northumberland coalfield; but the area which lies beyond the concentrated industrial districts shaded on the map is for the most part very thinly peopled. The Region of Northumbria would be primarily industrial, and its principal economic interests would lie in coal, iron, shipbuilding, shipping and engineering. It possesses a residential University at Durham, under the shadow of the magnificent cathedral: at Newcastle are detached colleges considerably larger than the parent University, and in fact practically independent of it. And, above all, this area is conscious of its unity, and has very clearly marked common characteristics of life and social habit.

To the south of Northumbria lies Yorkshire, large enough, if its three Ridings are taken together, to form by itself a single Region. There must, indeed, be some rectification of borders here. Yorkshire

¹ Newcastle (266), Gateshead (116), South Shields (108), and Tynemouth (58). Figures throughout show population in thousands.

² Sunderland (151), West Hartlepool (63), Middlesbrough (104), and Stockton (52).

³ Darlington (55).

Regional Divisions

loses Cleveland to Northumbria, and there seems to be good reason why she should gain from the Regions farther south both a necessary extension of borders in the near neighbourhood of Sheffield, and the whole of the area, including Scunthorpe and Frodingham, which lies along the important cross-country line of railway to Grimsby and Immingham. This district is in close economic relationship to Sheffield, and might well be assigned to the Yorkshire Region, which would thus embrace both the north and south of the Humber.

In this Region lie twelve towns which had in 1911 a population of more than 50,000, besides far more smaller towns than are found in the Northumbrian Region. Two of these are on the coast, one an important port, and the other a great fishing centre as well as a port.¹ Six belong to the group of towns centred upon Leeds and Bradford;² and of these the main concerns are the woollen and worsted and engineering industries. One is the centre of the West Yorkshire coalfield;³ one the ancient capital and ecclesiastical capital of the North of England;⁴ the other two are in the South of the County, and have their main concern in the metal and engineering industries.⁵ Yorkshire possesses two Universities, at Leeds and at Sheffield, and these serve to a considerable extent different areas. Sheffield is the largest single town, and York has by far the greatest historic claims; but Leeds presides over the largest "conurbation," and is on the whole the present social capital of the County. This whole Yorkshire area, including North Lincolnshire, but excluding Cleveland, had in 1911 a total population of nearly four million people.

¹ Hull (277), Grimsby (74).

² Leeds (445), Bradford (288), Huddersfield (103), Halifax (101), Dewsbury (53), Wakefield (51).

³ Barnsley (50).

⁴ York (82).

⁵ Sheffield (454), Rotherham (62).

The Future of Local Government

To the west of Yorkshire, and divided from it by a boundary which needs rectification at more than one point, lies the great cotton and engineering area of Lancashire. Central and South Lancashire and the neighbouring part of Cheshire have been urbanized with virtual completeness. Round Ormskirk in the West and to the north of Preston, rural areas still remain, and a large part of Cheshire is given over to fruit and dairy farming; but the general character of this Region is necessarily, and would remain even if Cumberland and Westmorland were included with it, overwhelmingly urban and industrial. Its coal-field is relatively smaller, and many of its miners live in the larger towns, and thus even the mining village does not serve to reduce greatly the proportion of town to country dwellers. Of the population of Lancashire alone 4,527,000 dwelt in towns in 1911, and only 240,000 in the country districts, and even these last included a large proportion who were virtually town dwellers. In Cheshire, 771,000 dwelt in towns and 183,000—a far higher proportion—in the rural districts. With Lancashire and Cheshire in this Region, I have felt bound to include the part of Derbyshire round Glossop, which has practically become a part of the Lancashire “conurbation.”

In this Region are no fewer than twenty towns with a population of over 50,000 in 1911, and an enormous number of smaller towns and urban districts in process of becoming towns. Four of these towns¹ form the centre of the urban aggregation round the mouth of the Mersey: seven form with many smaller towns the group of textile and engineering towns centring upon Manchester:² three more are important cotton and engineering towns lying farther to the north:³

¹ Liverpool (746), Birkenhead (130), Wallasey (78), Bootle (69).

² Manchester (714), Salford (231), Stockport (112), Oldham (147), Rochdale (91), Bolton (180), Bury (58).

³ Preston (117), Blackburn (133), Burnley (106).

Regional Divisions

three are towns carrying on a miscellaneous group of industries ranging from coal-mining to soap-making,¹ and lying in the tract of many towns between Liverpool and Manchester; two are popular seaside resorts;² and the last is Barrow, closely connected with the metal and shipyard industries.³

The total population of this Region in 1911 was over five and three-quarter millions, and of these considerably less than half a million lived outside the urban areas. Nearly four million persons dwelt in the huge conurbation of South Lancashire and North Cheshire, with its closely packed Boroughs and Urban Districts separated by hardly any countryside and connected by an immense network of railway and tram lines of many different companies and corporations. In this area of dense population lie the two Universities of the Region, centred in Manchester and in Liverpool, and Manchester has also its large municipal College of Technology. Liverpool is indeed the port not of Lancashire alone, but of the main transatlantic goods and passenger services; it is also the home of the Cotton Exchange, and linked up closely by many industrial interests to the rest of the Lancashire area. The rural area of Cheshire lives by supplying the vast neighbouring towns with farm and dairy produce, and a growing part of it, from the Wirral in the West to Altrincham and Wilmslow south of Manchester, is being covered by the suburban habitations of men who spend their days in the city. Lancastria is clearly marked out as the most populous, and certainly the richest, Region apart from the Metropolis itself.

To the South and East of Cheshire, and separated by its breadth from the South Lancashire towns, lies the far smaller North Staffordshire coalfield, centring upon the Potteries—the Five Towns now

¹ Wigan (89), Warrington (72), St. Helens (96).

² Blackpool (58), Southport (51).

³ Barrow (63).

The Future of Local Government

united in Stoke-on-Trent,¹ and their smaller neighbours still outside. The Potteries, as we saw in the last chapter, are too small and too little a great centre for the country round, to form a regional nucleus; but they have beyond doubt a very clearly marked social and economic character of their own. Stoke lies on one of the through routes from London to Manchester, and its economic ties to Manchester are very close. It is, however, very definitely and markedly in its social characteristics a Midland town, or group of towns. I hesitate whether it, and the North Staffordshire district as a whole, belong more properly to Lancastria, or to the Western Midlands, of which South Staffordshire forms an inseparable part. With some hesitation I have assigned them to the West Midland area, partly because this involves no disturbance of County boundaries; but the point is a nice one, and I have marked the district as doubtful on the map. In so doubtful a case the balance may well lie in preserving the historical continuity of the County.

The West Midland Region, lying to the south of Lancastria, plainly centres upon Birmingham and the Black Country. Birmingham itself, including the areas which it has since taken within its enlarged boundaries, had a population in 1911 of about 840,000, and the whole conurbation around it, including Wolverhampton and Dudley, Kidderminster and Stourbridge, and all the neighbouring towns as well as such centres as Smethwick and West Bromwich, added at least another 650,000, or, if Coventry be included, 750,000. Here were seven towns, each with more than 50,000 inhabitants² and a great many smaller centres.

Birmingham stands practically at the meeting-

¹ Stoke-on-Trent (234).

² Birmingham (840), Coventry (106), Wolverhampton (95), Walsall (92), Smethwick (70), West Bromwich (68), Dudley (51).

Regional Divisions

place of three Counties—Warwick, Staffordshire and Worcester—and the urban group of which it is the centre approaches almost to the borders of a fourth—Shropshire. All these four Counties, as a study of the railway lines will speedily show, converge upon Birmingham, which is necessarily, save in the doubtful case of Stoke-on-Trent, their social and economic capital. They can therefore be confidently assigned to the West Midland Region. Herefordshire is more doubtful; but it seems to go naturally with Shropshire and Worcestershire.

There was, in these five Counties, a total population in 1911 of rather more than three millions and a quarter, including rather more than three-quarters of a million dwelling in rural areas. To the north of Wolverhampton there are, both in Staffordshire and in Shropshire, a good many small towns engaged largely in various branches of the minor metal industries, which are, of course, also the main preoccupation of Birmingham and the Black Country, while Coventry is the principal home of the cycle and motor trade. Apart from the North Staffordshire coalfield, the Region has its smaller coalfields nearer the centre in South Staffordshire, East Worcestershire, Shropshire and Warwickshire. This area is remarkable for possessing probably the highest proportion of women workers outside the textile districts. Birmingham is not only its economic capital, but also the University town.

Omitting Wales and Monmouth on the West, I come now to the South-Western Counties of England, and to their regional capital, Bristol. In this Region, which we have now to delimit, we come for the first time to an area which has to a great extent preserved its agricultural character, and is not dominated by any great industry or group of industries. The South-West is not, indeed, more rural than Herefordshire or Shropshire, or than the southern half of Worcestershire; but Bristol, while

The Future of Local Government

it is clearly the capital of a considerable countryside, does not dominate it as Birmingham dominates the Western Midlands.

We may at once assume that with Bristol will go the whole county of Gloucester, and also Bath and the northern part of Somerset, including Radstock and the Somerset coalfield. But, as soon as we look beyond this area, it is by no means easy to know where to draw a satisfactory regional border. One part of Somerset, to the south, seems to look towards Dorset, another, to the east, towards Devon. Devon and Cornwall, in the extreme South-West, form a closely related group neither large nor populous, nor rich enough to form a Region apart. Dorset and Hampshire are, in many respects, even more closely connected than Dorset and Somerset. The southern part of Wiltshire, including Salisbury Plain, groups itself as naturally with Hampshire and Dorset as the northern part, centring upon Swindon, does with Gloucestershire and Bristol. Oxfordshire, on the East, has many close ties of neighbourhood and similarity with Gloucestershire, and Berkshire forms a natural connecting link between Oxfordshire and Hampshire. Throughout the whole of this West and South-West Country, there is literally no clear line of division. Nor, if we take Lancastria and Yorkshire as our standards, does the whole area, large as it is, include too many inhabitants to form a single Region. For these nine Counties between them had in 1911 less than four and a quarter million inhabitants.

I am, however, doubtful whether, despite certain fundamental similarities, a Region so large, and one in which cross-country communications would present so many difficulties, would really form a satisfactory unit of administration. I have therefore drawn, somewhat arbitrarily, a proposed boundary which cuts the whole area into two parts. Gloucestershire, Somerset, Devon and Cornwall thus form one Re-

Regional Divisions

gion, and Hampshire, Dorset, Wiltshire, Berkshire and Oxfordshire another. Probably, if such an arrangement were adopted, the northern half of Wiltshire, including both Swindon and the towns near Cheltenham, would have to go with Bristol, and, if too great objection were not felt to the cutting of County boundaries, a part of South Somerset might go with Dorset. The cut across Wiltshire would come at a point of very sparse population indeed, and clearly corresponds to the natural division of the country.

If this bisection were made, the South-Western Region, centring on Bristol, would have a population of more than two and a quarter millions, according to the 1911 figures, whereas "Wessex"—the counties of Hampshire, Dorset, South Wiltshire, Berkshire and Oxfordshire—which would probably find its most convenient capital at Southampton, would have only about a million and three-quarters. Neither Region would contain many large towns. The South-West would have Bristol, Bath, Gloucester, Plymouth and Devonport, and probably Swindon:¹ Wessex would have Portsmouth, Southampton, Bournemouth, Reading and Oxford.² The South-West would have a University at Bristol, and a University College at Exeter: Wessex would have its University at Oxford, and University Colleges at Southampton and Reading.

In the South-Eastern part of England, the vastness of London offers, as we have seen already, a difficult problem. Its huge population, with which must be reckoned that of the numerous urban areas surrounding it, means that the Region centred upon it is bound to be far more populous than any other, even if its boundaries are very narrowly drawn.

¹ Bristol (357), Bath (50), Gloucester (50), Plymouth (112), Devonport (81), Swindon (50).

² Portsmouth (231), Southampton (119), Bournemouth (78), Reading (75), Oxford (53).

The Future of Local Government

But there are convincing arguments for making these boundaries fairly wide; for London is plainly marked out as the effective centre, not only of England as a whole, but in a more special sense, of a large surrounding tract of country. Greater London itself penetrates deeply into at least five Counties—Middlesex, Surrey, Kent, Essex and Hertfordshire—and a considerable part of South Buckinghamshire is also rapidly being added. Moreover, Sussex also centres directly upon London, and it is far easier to get from almost any part of it to London than from one district of it to another. Any Region in the South-Eastern corner of England not directly centred upon the Metropolis is out of the question.

We may therefore begin by grouping with London the Counties of Kent, Surrey and Sussex.¹ The drawing of the northern and western border is more difficult. The greater part of Hertfordshire and Buckinghamshire and a small corner of Berkshire near Slough seem, however, to belong clearly to this Region, and to the north and east the boundary must be drawn somewhere through Essex to the coast, so as to include Southend and the whole north bank of the Thames, and the actual and probable extensions of Greater London at least as far as Romford. The greater part of Essex, however, is in no sense a dependency of London as Kent and Surrey are, and belongs quite definitely with Norfolk and Suffolk to the Eastern Counties Region. To the West, save in the case of Slough, the Oxfordshire and Berkshire boundaries may well serve as the limits of the Metropolitan Region.

Within these boundaries lived, in 1911, about nine and a half million people, of whom four and a half million lived in London proper, and three millions more in the Greater London area. The Metropolitan Region is thus more than half as populous again as

¹ Subject to a possible transference of the Chichester area of West Sussex to the Wessex Region.

Regional Divisions

Lancastria, but has over it no overwhelming numerical superiority. It is, on the other hand, between five and six times as populous as Wessex, the least populous of the Regions which we have hitherto defined. Within its area are twenty towns which had a population of more than 50,000 at the time of the last census; but of these fifteen¹ definitely form part of the "conurbation" of Greater London. Of the remaining five, four are seaside resorts,² and one the largest of the group of dockyard and engineering towns on the Medway.³ These figures alone make plain enough the essential dependence of this Region on its metropolitan centre. London has its own port and University, and is for many purposes already the administrative centre of the Counties surrounding it, whose Councils frequently find it more convenient to meet and to establish offices in London itself than at any point within their own administrative areas.

To the north of the Metropolitan Region lie the Eastern Counties and the Eastern Midlands, in which we have hitherto picked out only a single regional centre—Nottingham. According to some of the plans of regional organization which have been proposed, the whole of this area, of which the total population was in 1911 about four and a half millions, would be constituted a single Region. I am unable to agree with this view, because I feel the difference of character and social outlook between the agricultural Eastern Counties on the one hand, and the industrial area of the Central Midlands on the other, to be far too marked for effective common administration. It is, however, by no means easy to draw satisfactory boundaries.

¹ London (4,521), West Ham (289), Croydon (169), Willesden (154), Tottenham (137), East Ham (133), Leyton (124), Walthamstow (124), Hornsey (84), Ilford (78), Edmonton (64), Ealing (61), Acton (57), Enfield (56), Wimbledon (54).

² Brighton (131), Southend (62), Hastings (61), Eastbourne (52).

³ Gillingham (52).

The Future of Local Government

If we begin with the supposition that this area is to form two Regions, it is at once clear where the heart of each Region lies. The textile areas and coal-fields of Nottinghamshire, Derbyshire and Leicestershire form the nucleus of the Eastern Midlands, and the corn lands of Norfolk, Suffolk and Essex—the granary of England—the nucleus of the other. Northamptonshire, with its close concern in the same industries, especially boot and shoe manufacture, groups itself naturally with Leicestershire, except that the Soke of Peterborough seems to belong more naturally to the Eastern Counties. Cambridgeshire, with the Isle of Ely, and Huntingdonshire also go naturally with East Anglia, and so does the northern part of Hertfordshire round Hitchin, unless the whole of that County is flung into the Metropolitan Region. The northern part of Buckinghamshire, in the neighbourhood of Bletchley and Wolverton, belongs, on the other hand, most naturally with Northamptonshire and the Eastern Midlands. Rutland also goes with this group.

The remaining problem is that of Lincolnshire. I have suggested that the iron districts in the north and Grimsby and Immingham should be assigned to the Yorkshire Region. But this leaves the agricultural districts of the County, and the agricultural engineering city of Lincoln, as well as Gainsborough and Grantham. Largely on account of its predominantly agricultural character, I have suggested that the whole of Lincolnshire, except the extreme north, should go with the Eastern Counties, and that the Eastern Midland Region, like the Birmingham Region in the West, should thus have no direct contact with the sea-coast. Other Regionalists would hold that Lincolnshire, either including or excluding its extreme north, should be assigned to the Eastern Midlands. Others would assign the Holland Division to the Eastern Counties and the rest of Lincolnshire to the East Midland Region.

Regional Divisions

Taking the limits as drawn on the regional map, we have a Region in the Eastern Midlands including the Counties of Nottinghamshire, Derbyshire, Leicestershire, Northamptonshire (except the Soke of Peterborough), Rutland, and perhaps the northern part of Buckinghamshire. In this there was in 1911 a population of about two and a quarter millions, and four towns, all largely industrial, with more than 50,000 inhabitants.¹ The "rural" population was large, and amounted to about 700,000; but this figure included a considerable number of miners. The economic interests of the Region are largely in the textile industries, lace at Nottingham, hosiery at Nottingham and Leicester, in the boot and shoe industry at Leicester, Northampton and Kettering, and in engineering at all these centres. It has extensive coalfields in Derbyshire and Nottinghamshire, and small ones in Leicestershire and South Derbyshire. It is excellently served by railways in all directions. It contains no University, but has a University College at Nottingham, and an ambitious Technical College, much encouraged by the Ministry of Munitions during the war, at Loughborough.

The Eastern Counties² contain few large towns. In the whole area lying to the east of the East Midland Region there are only four towns with a population of more than 50,000,³ and none of these is either clearly marked out, or even well suited, to be the regional capital. Cambridge, the University town of the Region, although it had only 40,000 inhabitants in 1911, is far more central and easily accessible from all parts of the area than either Norwich or Lincoln. It seems for this reason the most natural capital, although Norwich has on other grounds undeniably

¹ Nottingham (259), Leicester (227), Derby (123), Northampton (90).

² Norfolk, Suffolk, Essex, Cambridgeshire, Huntingdonshire, Bedfordshire, North Hertfordshire, the Soke of Peterborough, and Lincolnshire (except the extreme north).

³ Norwich (121), Ipswich (73), Lincoln (57), Yarmouth (55).

The Future of Local Government

strong claims. The whole Region is largely rural, as a glance at the population figures immediately shows.

URBAN AND RURAL POPULATION OF THE EASTERN COUNTIES (IN THOUSANDS)
(Census of 1911)

| | <i>Urban</i> | <i>Rural</i> | <i>Excess of rural</i> | <i>Excess of urban</i> |
|--------------------|--------------|--------------|------------------------|------------------------|
| Norfolk | 238 | 260 | 22 | — |
| Suffolk | 198 | 195 | — | 3 |
| Cambridgeshire .. | 88 | 109 | 21 | — |
| Bedfordshire .. | 116 | 77 | — | 39 |
| Huntingdonshire .. | 23 | 31 | 8 | — |
| Lincolnshire .. | 309 | 254 | — | 45 |
| | 972 | 926 | — | 36 |

The Essex figures have been omitted, as they include at least 800,000 town dwellers in the neighbourhood of London. On the other hand, the excess of town dwellers in Lincolnshire is more than accounted for by the inclusion of Grimsby.¹ Probably there would be, over the whole of the Eastern Counties Region, a slight preponderance of rural over urban population. This is the more remarkable, because there is no mining area to swell the apparent numbers of the dwellers in the countryside.

We have thus arrived at a rough division of England into nine large Regions, by no means equal in population, wealth or area, but each possessing, I think, a real amount of unity and a large group of common problems suitable to be dealt with on a uniform basis. In order to demonstrate this more concretely I have (pp. 70-71) set down in tabular form the character and extent of these Regions.

¹ Grimsby (74).

CHAPTER VIII

THE COMING OF THE REGION

THE Regions suggested in the foregoing chapters are of unequal size, wealth and population. The Metropolitan Region is inevitably the largest and wealthiest, and Lancastria necessarily holds the second place. Apart from these two, the disparity is not serious, although the three primarily agricultural Regions are inevitably poorer than the others.¹ I see no reason, however, to regard this degree of inequality, which is unevadable in any form of regional organization, as a serious objection to the proposal, or even as in itself undesirable. It is certainly devoutly to be wished that the agricultural parts of England should be richer and more fully developed, and so able to afford a higher standard of life to their inhabitants; but is not this most likely to be secured under a system which enables these areas more effectively to make their voice heard and to undertake the task of providing in common for their special needs? Regional organization is at least as necessary for the countryside as for the congested urban areas in which industry is concentrated, and a vigorous system of rural Local Government is far more likely to be developed if the County Council is replaced by a larger unit of administration, and the help of the market towns and of a regional system of transport and power effectively afforded to the rural districts.

How, then, is regional organization to arise? I have set out a scheme of Regions, and have given reasons why wide powers of administration should be entrusted to them. But it is evident that any bring-

¹ West of England, Wessex, Eastern Counties.

The Future of Local Government

ing into force of a regional system involves a widespread revolution in the sphere of Local Government, and many who may be inclined in theory to favour regional organization will say that the game is not worth the candle, and that the upsetting of the existing powers and relations of local and central authorities involves altogether too much disturbance to be immediately practicable. It is true that a large part of our present system of Local Government, as well as much of the inflated central administrative machinery, is of very recent origin. The County Councils date only from 1888, and municipal government only assumed anything like its present form in 1882. It is true also that neither the County Councils nor the Rural District Councils have gained any strong hold on popular feeling, and that no strong resistance based on affection for the present system of rural government need be anticipated. But the towns constitute a separate problem; and, particularly in the North of England, any proposal that seems at all to contemplate a diminution of municipal power and prestige will be likely to receive very vigorous criticism. It is my contention that within a regional system the municipalities would find not lessened, but greatly expanded, powers of development and self-expression, resulting from a greater freedom from central dictation and bureaucratic interference; but it may easily happen that, until the proposal is far more clearly understood than it is now, the keen members of municipal Councils will be inclined to see in it a scheme for giving them yet another master, and removing the administration of some of the essential utilities and amenities of the town from the direct control of the citizens.

In order to meet this fear, it is now necessary to discuss in more detail the actual powers and functions of the Region in certain of the more important spheres of government and administration. When we have done this, we shall be able to see clearly what effect

The Coming of the Region

the constitution of regional authorities will be likely to have upon the urban and rural authorities within each regional area.

I have already indicated¹ that the essential function of the regional authority would be what may conveniently be described as "Region Planning." It has become in recent years a recognized principle of municipal government, though not one that has been gladly received by the speculative builder or the financial interests which control him, that the Council of a town must have the power not merely to make housing bye-laws regulating the sanitary and other arrangements of houses built by private persons, nor merely to build houses where "private enterprise" fails to supply them, but to plan the growth and development of the town, to clear undesirable areas, and to dictate in some measure to the private citizen, the factory owner and the housing speculator where, and under what conditions, they may build. It has been generally conceded—in theory—that the citizens of a town have the right to say how it shall develop, and to protect themselves, not only against "nuisances" in the sanitary sense of the word, but against all manner of economic, social and æsthetic inconveniences, such as have resulted so plentifully in the past from urban development without a plan, guided by hazard or by considerations solely of individual profit or advantage. It is true that the town-planning powers which have been conferred by Act of Parliament upon the local authorities are very inadequate, and that great difficulty is experienced in getting them effectively exercised in face of official obstruction and interested opposition. But the fact remains that the principle has been conceded, and that the citizens have in theory the right to prevent private persons from "uglifying" or otherwise vilifying the town which is the common possession of them all.

Nor is this power of "town-planning" merely, or

¹ See Chapter II.

The Future of Local Government

mainly, negative. The right is admitted, not merely to prevent the doing of wrong things, but to do, and bring about the doing of, things that minister to the best economic, social and æsthetic development of the town. The first fruits of town-planning have, no doubt, been largely negative; but its aim is essentially positive. It points the way to a time when it will be regarded as shameful to be a citizen of a mean city.

Nor is town-planning simply a matter of the erection of good houses and other buildings, rightly placed with a due regard to the utility and amenity of the town as a whole, or even of the right planning of the town area, including parks, streets and open spaces as well as buildings, public and private. The "town-planner" soon finds himself involved in countless other problems closely related to these, from the drainage, heating, lighting and water supply of the town to its system of local transport and its facilities for education and entertainment in the widest sense. His business is to plan, not just houses, but the whole civic development of the town, and in his plan all its varied services, economic and non-economic alike, must fall into their places and find their proper relationships. Town-planning is the architectonic art of cities, and, no less than the architects of a great mediæval cathedral, those who would plan a town must have regard to the spiritual uses of what they would cause to be made.

But town-planning thinks only in terms of a particular urban aggregation, or, in the more densely populated parts of England, usually in terms of a part only of an urban aggregation, including several separate municipalities and urban districts. It is thus precluded, by the limits of the area over which any single authority has control, from dealing with any of the wider problems which confront, not simply Leeds or Bradford, but the whole West Riding of Yorkshire, or at least the whole conurbation of which Leeds is the effective centre. This is inconvenient

The Coming of the Region

enough when only housing is in question; for it is obviously inefficient, and wrong in principle, that the housing problem of Leeds should be considered and dealt with, or given up as a bad job, altogether apart from the housing problems of Bradford, Wakefield, Dewsbury and fifty or so other towns and urban districts in the neighbourhood. The absurdity of the present position becomes manifest as soon as the duty of housing its population under reasonable conditions is laid definitely upon each separate urban authority; for this means that either congestion will be perpetuated, or the larger towns will proceed to re-house their populations outside their own areas and in those of neighbouring urban or rural authorities. Clearly, the whole problem of re-housing the population of the West Riding ought to be considered, not separately by each town, but in common by representatives of the West Riding as a whole, and clearly the result of their common consideration ought to be a comprehensive regional plan in which each separate authority would be called upon to play its part.

The existing position is revealed in an even more unfavourable light when housing is considered in relation to such closely connected problems as those of water, gas and electricity supply and local facilities for transport. There is indeed in these matters already some co-operation between neighbouring authorities, and not infrequently some of the services of the smaller urban areas are directly supplied and administered by their larger neighbours. But this co-operation is sporadic and almost accidental, and there is absolutely no planning in common of the main services of a whole area, however close its social and economic relationships may be. Thus, there are constant dead ends to tramway services, many areas are unsupplied because it is not the business of any of the larger systems near them to undertake the duty, power, light and water are often supplied uneconomically because the area of supply is the wrong shape

The Future of Local Government

and size for efficient service. It is nobody's business to co-ordinate; and, although co-ordination is sometimes accomplished even in face of this fact, it is rendered very difficult by the absence of any authority fit to undertake it. As things are, co-ordination too often means the removal of the co-ordinated service from the light of publicity and from the possibility of effective popular control; and democrats are therefore sometimes found opposing on this ground schemes and forms of co-ordination which they know to be in themselves desirable. A mere mention of the Metropolitan Water Board is enough to make Mr. Herbert Morrison, of the London Labour Party, scream. But this is not because Mr. Morrison objects to a co-ordinated water supply service for London, or would object to it for the whole Metropolitan Region as suggested in the preceding chapter, but because he objects to the control of the supply by a body which is not sufficiently open to democratic control by the citizens of London. Similar problems are arising at the present time over the constitution of joint authorities to exercise certain other important powers in relation to public utility services, such as electricity. The setting up of a joint authority for a particular purpose usually means, under the existing conditions, the removal of a function of Local Government even from the degree of popular control which is exercised over the doings of the directly elected Councils in the Boroughs and Urban Districts.

It is, however, generally recognized that, unless new forms of Local Government are developed, the powers and spheres of action of *ad hoc* joint authorities are bound to expand. The existing areas are, for many purposes, simply impossible. What is needed is not simply an *ad hoc* regional body for a single narrow purpose, formed merely by getting the representatives of a number of smaller authorities to meet and act together, but a real organ of regional govern-

The Coming of the Region

ment, capable of development and expansion to meet changing needs and conceptions of social action.

At the same time, it is quite possible that the new regional authorities will in fact not come into existence by a single act of creation, or be endowed at once with all the powers that they require in order to be real and effective organs of regional government. They may do so; but it is at least as possible that they will develop gradually out of the growth of federal action between neighbouring local authorities of the existing types. I do not think that this is ideally the best way for them to develop; but it may easily be the only practicable way in face of the political difficulties which are to be encountered. If this is the case, it seems to me clear that there are two principal, and closely related, groups of functions which are adapted to form the basis for such a development. These are, on the one hand, housing and town-planning, and, on the other, transport and the supply of electric power.

Let us try to see what would be meant, in terms of the actual powers and functions to be assigned to various authorities, by a widening of the conception of town-planning, so far as it relates to housing work, into the larger conception of Region-planning. It would involve the creation of a new type of authority, covering the whole of the regional area, and entrusted with the task not only of surveying the whole of the housing requirements, urban, suburban and rural, of all the inhabitants, but also of drawing out comprehensive plans for the fulfilling of their needs, including schemes perhaps for the building of new towns, or for the development and revitalizing of old ones by the action of the whole Region. On the other hand, it would clearly not mean that the functions of the existing urban and rural authorities in respect of housing would be transferred bodily to the new regional authority, or that towns and rural areas would cease to build for themselves, or to supervise

The Future of Local Government

and "town-plan" the building operations of private persons. Most of the actual public building, and supervision of private building, would still be undertaken by the smaller authorities within the regional area; but the work of the various authorities would be unified in a common plan, and the regional authority would itself undertake and supervise large schemes of development affecting the Region as a whole, or the inhabitants of several of the towns and rural districts within it. To a large extent, the powers of the Region and of the municipality would be concurrent, and the distinction in practice would be one of scale and intention rather than of the type of service in question. Naturally, in face of the comparative weakness of rural Local Government, the tendency would be for the regional authority to take over more of the housing and planning functions of the rural bodies than of the larger municipalities. The object would be, not to take away from the smaller authorities functions which they are capable of performing properly for themselves, but to undertake that part of the work of housing and planning which, from its nature, requires to be handled on a regional scale. The proper limits and relations of the powers of the various bodies could only be determined accurately on a basis of actual experience.

An authority constituted with this function of co-ordinating the housing and town-planning activity of a whole Region would naturally and inevitably attract to itself further powers. In place of the present tendency to improvise an organization to deal with each particular problem as it arises, it would make for an accumulation of related powers in the hands of a single body operating over a uniform area. Region-planning, as we have seen, at once involves, besides housing and similar questions, consideration of transport facilities and the provision of power, gas and water. It is useless to attempt any removal of population from the congested areas into the country unless

The Coming of the Region

good transport facilities are afforded. It is nonsense to propose any decentralization of the factories unless the new areas to which they are to be induced to remove are well provided with power and transport facilities as well as with houses and public utilities and amenities for the workers whom they require. It would therefore be a natural expansion of the activities of an authority which began by attempting to deal with housing and town-planning on a regional basis that it should take to itself large powers in the sphere of the public utility services.

But, here again, the purpose of regional development would be mainly, not the supplanting of the existing authorities, but the creation of new forms and spheres of publicly organized service. It is not suggested that Manchester or Leeds would at once resign the conduct of its tramway services, or the duty of distributing electric power, gas and water, into the hands of the regional authority. It might indeed well come about that, in course of time, many existing services, now in the hands of the present local authorities, would be voluntarily transferred by them to the regional bodies, on account of the proved superior efficiency and convenience of uniform organization over a wider area; but, apart from such voluntary transferences of powers and functions, the regional bodies would make their way mainly by improving the co-ordination of existing services and providing new services which are at present not being provided at all by any public authority. If a particular town desired to keep its own separate tramway service, it would usually be foolish to attempt to take it away; but the regional body should have power to secure the linking up of dead ends, and the granting of reasonable facilities in order to enable its own trams or those of neighbouring authorities to run over the lines of others and into the town which chose to maintain its own services. This would involve the possession by the Region of power to enforce the necessary mini-

The Future of Local Government

mum uniformity of system in respect of gauges, height of bridges, provision of power, and so on.

In dealing with tramways, which are largely developed already by the existing local authorities, the Region would probably confine itself largely in the early stages to the work of co-ordinating existing services, linking up dead ends, and perhaps directly acquiring systems now under the control of private companies. But in the sphere of road transport of goods, which has hardly been touched by the existing local authorities, it might easily find an important sphere for the development of services of its own. It would certainly need to become a main highway authority, and it should aim at developing the use of the roads for transport, and at making a publicly controlled road transport system available throughout the Region, and especially in the rural districts. In conjunction with this activity, it would naturally become also the authority to represent the inhabitants of its area in the control of any regionally reorganized railway system.

In the sphere of electrical supply, it would probably leave distribution, at any rate in the larger towns, in the hands of the urban authorities, but would itself undertake generation on the large scale now generally recognized to be desirable. Here, again, its chief concern would be not to supplant existing authorities against their own desires, but to make electrical power far more widely available than it is now, above all in the rural areas. Life in the countryside would be revolutionized if electrical power, light and heat could be made generally available at a reasonable price; and it should be one of the first tasks of any regional body to take this work in hand. The extent to which it took over also the supply of water would probably vary widely from place to place; but where, as in the congested urban areas, the water supply presents a problem of ever-increasing difficulty, a handling of the question on a regional basis is greatly to be desired.

The Coming of the Region

Of course, even this would not necessarily prevent the Region from having to go outside its boundaries in order to provide water for the large towns; but it would be far better for this to be done by a Region, or by arrangement between Regions, than, as it is now, by isolated large towns.

The foregoing pages are not meant to exhaust the list of urgent functions in the sphere of vital public utilities round which regional administration might readily begin to develop. There are other instances that might almost equally well have been given; and there are other spheres, certainly no less important, in which regional organization is equally desirable. In the sphere of public health, for example, co-operation between local authorities has already taken place in many areas for the provision of the more specialized forms of institutional service, and this has been the case also to a small extent in the sphere of education. Both these processes would be far more easily extended under the care of a definite form of regional organization. If, for instance, hospitals were transferred to and developed under public control, a regionally organized hospital service would certainly be greatly preferable either to a purely local, or to a centrally controlled, system. In another sphere, the University offers an obvious example of the desirability of development on regional lines.

I am making no attempt to pass beyond these mere instances to any actual enumeration of the functions, or definition of the powers, of regional bodies, because it would be useless to attempt either task in advance of actual experiments in, and experience of, regional organization. If we apply Regionalism at all, we are certainly most likely to do so at first without any clear recognition of the possible magnitude of the change which is being made, and without any attempt to make at one step a logically complete system of regional government. This will not matter, if only the conditions under which the regional bodies are

The Future of Local Government

first constituted are such as to admit of natural growth and of the rapid assumption of fresh powers and functions as the need becomes manifest. If they are given the chance, the Regions, once constituted, will develop because they are obviously the bodies best fitted to undertake many of the new functions which Local Government is being called upon to assume to-day, and will be called upon to assume still more in the future, if the general thesis on which this book is based is in any sense correct.

CHAPTER IX

GOVERNMENT WITHIN THE REGION

THE general discussion contained in the preceding chapter should have made it clear that the problem of defining the powers and functions of the Region in relation to those of the urban and rural authorities within its area is not mainly one of assigning whole "subjects" or functions either to the one or to the other. There will be hardly an important function of Local Government in relation to which the Region will not, as it reaches its full development, acquire extensive powers. But, on the other hand, there will probably be no function at all which will be transferred wholly to the Region, to the complete exclusion of the smaller authorities within it. Probably the greatest actual accumulation of administrative duties will remain, however fully the Region is developed, in the hands of the great urban authorities. This will certainly be so in the sphere of the actual services now undertaken by local public bodies; whether or not it is so altogether will depend on the extent of the new services which regional organization may make it possible to develop under public control. The object of regional government is certainly not to centralize, even over a Region, services which can conveniently be administered over a smaller area. The presupposition is always in favour of the least centralized form of administration which is economically practicable.

Take, for example, the case of education. No one would desire to place directly in the hands of a regional body the administration of elementary education. For this, the present areas are large enough,

The Future of Local Government

and indeed, in the case of the County, usually too large. The Region will certainly need to acquire powers in respect of elementary education; but it will acquire these mainly by transference, not from the Local Education Authorities, but from the Board of Education. It will, in this sphere, be a supervising and co-ordinating and not, save in quite exceptional cases, a providing body.

The same considerations apply, in the main, to secondary education, although here the Region may possibly need to acquire larger functions in the rural areas. Special types of school, certain forms of technical education, especially in agricultural and mining subjects, and University and adult education in their various forms, will offer the principal field for the direct educational activity of the Region. In the rural areas particularly, the proper development of adult education demands co-ordinated action over a wide area, and this is also true of both the intra-mural and the extra-mural work of Universities. But, however far regional activity might be carried in these spheres, the great bulk of educational work would certainly remain in the hands of the smaller authorities, acting under the Region much as they now act under the national Board of Education. Nor is education singular in this respect. In most spheres of Local Government action, the Region would leave the major part of the actual work of administration in the hands of the smaller authorities.

But what would these smaller authorities be? I have so far spoken of them in general terms, as if they would remain, broadly speaking, as they are now. This, however, could hardly be altogether the case. We have already, in the second chapter, made an attempt to describe in the broadest possible outline the main existing forms of Local Government organization. Let us now, taking each of these in turn, see what would be likely to become of it under a regional system.

ENGLAND & WALES

English Miles

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Universities and Colleges
and Districts of Workers'
Educational Association



The Future of Local Government

THE COUNTY BOROUGH.—There is no reason for any change in the form or structure of the County Borough itself; but clearly its relation to the Region would be very different from the relation, or lack of relation, which it now bears to the County. It would lose, indeed, the splendid isolation which it possesses under the Local Government system of to-day, and would play its part in the co-ordinated administration of the Region with some sacrifice of absolutely continuous self-direction. But, on balance, it would gain more by emancipation from the central Government than it could be represented, even by the most ardent municipal autonomist, as losing by participation in the self-government of the Region as a whole.

THE NON-COUNTY BOROUGH.—It is at least possible that the reason for maintaining a clear distinction of type and powers between "County" and "Non-County" Boroughs would disappear with the establishment of a regional system of government. This does not mean that all Boroughs would necessarily possess the same powers and functions within the Region, irrespective of size and other considerations. But it might be better to replace the absolute distinction between County and Non-County Boroughs by a grading of powers in terms of population, so that a growing town would automatically acquire fresh powers as its population increased. This, however, is not a point of special importance.¹

THE URBAN DISTRICT.—I can see no reason at all for the retention of the Urban District as a distinct type of Local Government organization. The larger Urban Districts are already, to all intents and purposes, Boroughs, and are often popularly referred to as if they were Boroughs. There are, indeed, a vast number of small Urban Districts which are not fitted to acquire the full status of Boroughs; but are they

¹ Amalgamation of contiguous boroughs which practically form single towns would be desirable in many cases.

Government within the Region

really any more fitted to be Urban Districts? Either they should be amalgamated with neighbouring larger urban centres, or they should be treated as parts of the countryside, and be content with the status of parishes in the rural administration which I am about to describe.

THE COUNTY.—The Administrative County, with its County Council, would disappear with the full development of a regional system, though possibly not at its first inauguration. The County Council, as it exists now, is a very unsatisfactory unit of government. Its area is either too large or too small for efficiency or democracy. It is undemocratic, because it is too large to enable the man who works all day to reach its meetings easily, even if they are held in the evenings, or to do so without serious expense, and because it is too small to arouse the popular interest and support which are necessary to the overcoming of these difficulties by a reasonable system of payment. It is, moreover, as we have seen, too large to form an effective unit of direct rural administration, and too small to make possible any real co-ordination of the government of town and country. The most startling consequence of regional organization would be the disappearance of the County as a unit of local administration.

THE RURAL DISTRICT.—The Administrative Counties are at present divided into Rural Districts, which are in fact Unions of Poor Law Parishes. These districts vary considerably in size and population, but certainly tend to be too small for the effective exercise of the more important functions of rural self-government. There is, moreover, a tendency for every centre of population that has more than a thousand or two inhabitants to get itself constituted as an urban district, and thereby divide itself administratively from the rural belt around it. Regional organization, which

The Future of Local Government

demands the creation of effective units of rural self-government within the Region, would make imperative a correction of this tendency, by the inclusion of those smaller urban communities, which are in fact mainly market centres of a surrounding countryside, in the same administrative unit with the countryside itself. These units could best be secured by the creation of new County Districts, formed by the throwing together of existing Rural Districts or parts of them and of the smaller urban centres which serve them. Thus, of the present Urban Districts, some would become, or be merged in, towns, while others would become the nuclei of new County Districts.

These Districts would need to be in most cases a good deal larger than the Rural Districts which now exist. For example, the two Administrative Counties of East and West Sussex at present contain between them twenty Rural Districts, apart from Boroughs and Urban Districts. There seems to be no sufficient reason why these rural areas should not be grouped into four new County Districts,¹ or at most into six, following roughly the lines of the old County constituencies. Generally speaking, the parliamentary constituency is much more of the size needed for a reasonable unit of rural administration than either the County or the Rural District of to-day. I am not suggesting that it need necessarily be taken as a basis, but only that consideration of it indicates generally the type of area required.

THE RURAL PARISH.—The Parish in the countryside is to-day, and might be made far more, a real unit of Local Government. The supervision of the County and the Rural District by the respectively larger Region and County District would involve an increase in the power and duties of the Parish, which would tend to inherit those of the functions of the Rural District Councils which do not call imperatively

¹ East, Central, North-west and South-west Sussex.

Government within the Region

for exercise over a larger area. For example, a good deal of the purely local provision of houses, parks, allotments, nursing facilities, libraries and institutes, and a certain amount of duties in respect of roads and sanitation, would obviously fall within the legitimate sphere of the Parish Council. The existing Parishes are very unequal in size and population, and their inequalities proceed on no principle. Any general extension of their powers would almost necessarily involve some amalgamation of the smaller existing Parishes, so as to make the normal type a Parish consisting of one head village or small township with a fringe of smaller villages and hamlets. It is impossible to be more definite without becoming unwarrantably dogmatic.

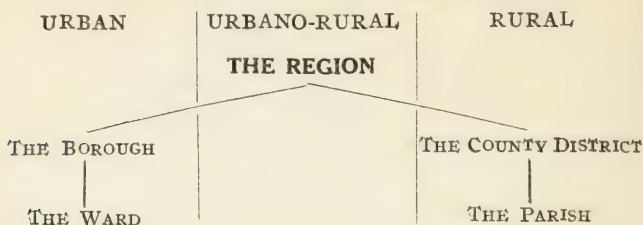
TOWN WARDS.—In the larger towns particularly, more reality might be given to Ward divisions, and for certain purposes at least the Wards might become directly administrative authorities with representative Councils, similar in some respects to those of the London Metropolitan Boroughs. It is not suggested that the relation existing between the duties of the London County Council and of the Metropolitan Boroughs can be copied at all exactly elsewhere; but there might well be a gain in decentralizing much of the administration of our great towns. Such a step would have the great advantage of lessening the opposition to inclusion within the borough boundary of contiguous urban areas whose inhabitants fear that they will be swamped if they agree to fusion with their larger neighbours.

Let us now set out, in actual tabular form, the general structure of the Local Government system which is in contemplation, setting side by side with it in the same form the structure of the system as it now exists.

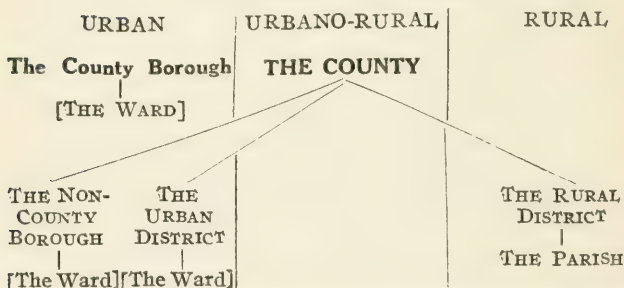
Let us also attempt to set beside these diagrams a second showing roughly how the functions would be

The Future of Local Government

A.—REGIONAL SYSTEM.



B.—EXISTING SYSTEM.



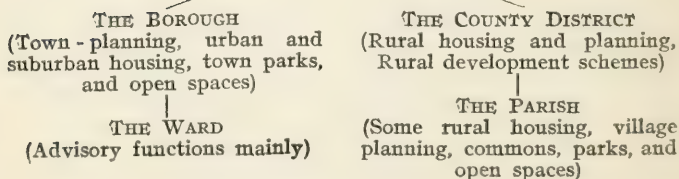
NOTE:—In diagram B, the Ward appears in square brackets, because it possesses at present no direct administrative functions.

REGIONAL SYSTEM.

REGIONAL, AND LOCAL FUNCTIONS AND POWERS

THE REGION

(Region-planning, New Towns,
Special Development Schemes,
Regional Parks and Commons)



Government within the Region

allocated among the various authorities in respect of a typical group of services, such as those of housing and town-planning.

A similar diagram might be drawn to illustrate almost any group of Local Government functions, although in many it would be far more difficult to find a brief formula adequate to describe, even very roughly, the proposed allocation of powers. I must leave the reader to fill in the details himself by considering how, in other spheres of Local Government action, powers and functions might reasonably be allotted to the various authorities under a regional system.

I claim for the system outlined above that it would greatly simplify the machinery of Local administration, and would provide for a far better balance of urban and rural interests, and a far better reconciliation of them, than is secured, or can be secured, as long as the present forms of organization remain in existence. The present rural arrangement of County Councils, Rural District Councils, and Parish Councils is fundamentally unsatisfactory. The Rural District is too small for the major, and too large for the minor, functions; the County is too large for most purposes of rural government, and too small to be able to bring town and country effectively together; the Parish, even where its size is adequate, is crowded out of most effective functions of rural administration by the District Council, which, pressed by the County Council from above, gets its own back by encroaching upon the Parish. A reorganization of rural areas, a simplification of the forms of urban government, and an effective synthesis of town and country in the Region, are the chief needs of reorganization in the sphere of Local Government structure. We want not only to create the Region: we want also to reorganize the smaller units of Local Government, so as to bring them into harmony with the regional method of administration.

CHAPTER X

REGIONAL FINANCE : TAXATION AND RATING

WE have already, in the first chapter, had something to say about the financial difficulties into which, under the present system of local and national taxation, the local authorities throughout the country are steadily drifting. We have seen, moreover, that these difficulties proceed from two distinct, though closely connected, sources. Even before the war it was recognized that the existing basis of local taxation was too narrow permanently to sustain the burdens placed upon it by the great expansion of Local Government functions in the sphere of public health, education, and other services generally recognized as falling within its social function. Almost every year brought some new piece of legislation which, while no doubt the services which it established were partly financed out of national taxation, also placed new financial burdens upon the local authorities. Moreover, in addition to the steadily growing number of socially desirable tasks which the local authorities were compelled by law to undertake, the number and extent of permissive powers also rapidly increased, so that a municipal authority was constantly being pressed by the most active elements among its citizens to undertake additional duties involving further expenditure. This process had led, already before the war, not merely to demands for increased assistance to the local authorities from national funds, but to actual promises by statesmen that this help would be forthcoming and that the growing burden upon the rates would be, to some extent, alleviated by the increase and development of the system of grants in aid, wherever the tasks

Regional Finance : Taxation and Rating

imposed upon local authorities could be fairly represented as a national rather than a purely local obligation.

The war prevented the taking of steps which were actually in immediate contemplation for the provision of these additional grants; but the war also brought about a very much more fundamental change in the relations between local and national authorities. The vast increase in the National Debt changed the whole character of national taxation and established a huge mortgage upon the product of national taxation both direct and indirect. At the same time it sent up prices by leaps and bounds, and thus immensely increased the nominal amount of both national and local expenditure. Under these conditions it became impossible, as we saw in the first chapter, for the local authorities to look for any substantial relief from their obligations to a development of the system of grants in aid.

We had got so far in the first chapter of this book as to state this problem in all its difficulties without suggesting any solution. We have now to inquire how far, if the reorganized system of Local Government which I have been advocating were brought into existence, a solution could be found more easily than is possible to-day. I think that to some extent the problem would be easier; but I do not pretend for a moment that a reorganization of the political machine, local or national, can by itself provide a way of escape from what is equivalent to a condition of national bankruptcy so far as the public authorities within the community are concerned. No reorganization of Local Government, and, for that matter, no reorganization of national Government, can afford even a plausible basis for a satisfactory public financial system as long as the vast burden of the war debt still hangs over the community. If, therefore, I suggest that regionalism in Local Government offers the prospect of a better system of public finance than that

The Future of Local Government

which now exists, or than that which existed before the war, I do so only on the assumption that by some means the extraordinary burden imposed upon the community as a result of the war is done away with. I do not propose in this book to enter into an argument as to the means of liquidating the war debt; that is far too wide a problem, and would take me too far outside the range of my present subject. I can only say that, either by the method of a levy on capital considerable enough to wipe out the whole of the debt, or by some other method certainly not less drastic and involving no less a measure of direct expropriation of property rights, the nation must find release from the intolerable incubus of debt which represents no really existing wealth but is simply a crushing claim on the future product of industry. By no other means can there be any possibility of a satisfactory financial adjustment in the sphere either of local or of central administration.

If we assume this act of expropriation to have taken place, and the burden of the war debt to have been liquidated, or to be liquidated simultaneously with the setting up of the new system proposed in this book, then, let us ask, what prospect does a regional system offer of a more satisfactory provision for the meeting of local claims out of moneys raised within the locality or Region administering the services which require them? As we have seen already, it is very important that, if a service is to be administered regionally, the revenue for this service should, as far as possible, also be provided regionally, if only for the reason that central provision of a large proportion of the funds for regionally or locally administered services inevitably means in practice a high degree of central control over the methods of administration. We have seen in earlier chapters how far this tendency to bureaucratic centralization of control has gone already, and how much farther it is likely to go unless the present tendencies are checked. If the

Regional Finance : Taxation and Rating

reader has been in general agreement with the point of view stated in the earlier chapters of this book, he cannot but regard this tendency towards centralization as a bad thing which ought to be counteracted by every possible means. Does, then, regional organization provide the means of counteracting it?

Those who have advocated the reform of Local Government finance, without coupling their advocacy with the demand for a reorganization of areas on regional lines, have in recent times concerned themselves principally with two suggested new sources of local taxation—the rating or taxation of land values, and a local income tax. What bearing have our schemes of regional organization upon these two proposals?

Whether or not it is possible to transfer the whole or any considerable proportion of the burden now borne by the rates to taxes locally imposed upon land values, it is at any rate certain that a proposal to tax land values for local purposes could count upon a wide measure of public support. The Manchester City Council is now engaged¹ in endeavouring to obtain from Parliament, by means of a special Bill, the power to impose a rate on land values within its own area, and similar proposals for the adoption of “Sydney rating” and similar systems, such as those which have long been in force in certain German towns, have frequently been brought forward from many different sources. An objection which has often been urged against the local appropriation of the proceeds of such special taxation of land values is that it would mean that the sums so realized, which might be considerable, would go entirely to the urban areas, and that the countryside would receive very little share in them. It has, of course, been replied that the money is needed mainly for the purpose of dealing with problems which are raised precisely by the evils of urban overcrowding, and that this overcrowding

¹ February, 1921.

The Future of Local Government

itself creates the inflated land values which it is desired to appropriate to the public. But it is also true that, if the countryside is to be governed at all with efficiency, the wealth which is mainly congregated in the towns must, as it does now to some extent under the system of national taxation, be made available for the rural as well as for the urban areas. Clearly, if the taxation of land values were instituted not on a local or urban, but upon a regional basis, this distribution would to a large extent be accomplished, and provision would be made for the application of the proceeds to urban and rural areas alike. It is true that the special cases of those Regions which, even under the system proposed in the earlier chapters of this book, would still be mainly agricultural would not be altogether met, and that some special system would have to be devised for the granting of assistance to such Regions out of the resources of other Regions, or rather out of those of the community as a whole. Apart, however, from this exception, the taxation of land values on a regional basis would undoubtedly possess very great advantages over its institution by municipalities acting separately on their own behalf.

I am therefore disposed to see in the regional taxation of land values an important, although by no means the sole, source of regional public income.

The question of local income tax is far more difficult. The proposal to use the income tax as a means of relieving the financial necessities of Local Government has been put forward in two very different forms. Where the local income tax properly so called has been advocated, the suggestion has been that the separate authorities should be empowered, either in substitution for or in addition to the existing system of rates levied on property, to levy an income tax upon their citizens. This proposal has at once been countered with the objection that plainly a locality can only levy income tax upon that part of the income

Regional Finance : Taxation and Rating

of its citizens which comes from local sources, or that, if it does more than this, the citizen will in many cases be in the position of having taxes levied on his whole income many times over. It has been recognized that there would be, especially in a small and comparatively centralized country such as Great Britain, very great difficulties in arriving at any reasonable basis for the determination of the respective rights of various local authorities in the levying of such a tax. What proportion of Mr. So-and-so's income is to be allocated to Manchester, London, and Altrincham, when Mr. So-and-so carries on business in Manchester and London, resides ordinarily in Altrincham, and has a flat in the Metropolis? This would be a simple proposition in comparison with many that would have to be determined under a system of this sort.

Those who have regarded these difficulties as likely to prove insuperable have put forward a proposal for the use in aid of local authorities of the form of direct taxation represented by income tax in a second form. They have urged that the tax should continue, as it is now, to be levied nationally, but that to the rate in the pound required to meet the national needs should be added a supplementary rate directly allocated to Local Government purposes, and available of right to the local authorities on some strictly mathematical basis, such as population. The proposal in this form bears a resemblance to the suggested equalization of rates which has sometimes been put forward for adoption over a smaller area. It amounts to a suggestion that a considerable part of the expenditure of the local authorities should be made good out of national taxation, but under conditions which would not give the national authority control over the actual expenditure of the sums raised for this purpose.

Thirdly, there is the proposal that an additional income tax should be levied, for regional purposes,

The Future of Local Government

upon all the inhabitants of each Region, on a separate regional assessment.

The problem which we have in the first place to consider in dealing with this suggestion is whether the obstacles which are standing so manifestly in the way of the levying directly of a local income tax by the existing authorities would be equally valid if it were proposed that a tax on incomes should be levied by the proposed regional authorities over the Region as a whole. That to some extent the problem would be simplified is an evident fact. For example, the Lancastrian Region would include practically the whole of the English cotton industry from the Exchange at Liverpool to the warehouses in Manchester dealing with finished goods. It would not, it is true, include the houses frequently maintained by Lancashire producers or merchants in London and elsewhere. Similarly, the Yorkshire Region would contain by far the greater part of the woollen and worsted industry. There are, however, other industries which are not localized in the same way as these; and in their case complications similar to those which would arise if income tax were levied locally, although by no means so serious, would still exist. I am not prepared to say definitely whether the problems of allocation of rights of revenue as between the different Regions would prove in practice insuperable. I am inclined to think that they could be overcome, and that a regional income tax is a practicable possibility, whereas a local income tax is not. The point, however, would clearly have to be determined by experts, and after an exhaustive consideration, based on a full inquiry, of the many difficult technical problems involved. I therefore put forward, not a definite suggestion that the regional authorities would find in a regionally imposed income tax an important source of revenue, but the tentative suggestion that the possibility of their doing so ought to be most carefully explored.

Regional Finance : Taxation and Rating

If it were held after a full investigation that the practical obstacles in the way of a regional income tax were too great to be overcome, it would be necessary in all probability to fall back on the alternative suggestion of the "centimes additionnelles." It is manifest that this will not be done while the present bankruptcy of the central Government continues; for the central Government, if it is not at present raising the last penny that it can raise in income tax for its own purposes, it is certainly only refraining from doing this because it will not and dare not impose heavier burdens on the classes on which it relies mainly for support. The income tax allocated to local or regional purposes only becomes practical politics when the necessary steps have been taken for the liquidation of the war debt.

It will be noted that I am suggesting that both the rating or taxation of land values and the regional application of the income tax, regionally or nationally levied, should be regarded as a means of providing the revenue available for Local Government purposes. I do not propose that the tax on land values and the income tax should be substituted for the present system of local rates, many as the disadvantages and injustices of the rating system undoubtedly are. What we want to discover at present is not so much a substitute for existing forms of local or national taxation as a means of providing the Region with a source of revenue as far as possible distinct from either. The existing local authorities therefore, and the similar new authorities created under a regional scheme, would carry on, so far as their resources came directly from taxation or rates, with the existing system of local rates, or with such improved system as they might be able to introduce without trenching upon the sources of revenue required directly to meet the expenditure of the regional authorities. The burden upon the rates might, indeed, be very substantially relieved by the taking over of certain im-

The Future of Local Government

portant obligations from the present local authorities by the Regions, and, if the suggestions which I am about to put forward were adopted, these smaller authorities might also, as the revenue available for the Regions expanded, be able to receive substantial grants in aid direct from the Regions, and so still further lighten the burden which they would have themselves to meet. I am dealing here, however, not with the heaviness of the burdens, but merely with the forms of rating and taxation by which they would somehow have to be met. Nothing in these proposals is, of course, intended to do away with the system under which a portion of the expenditure falling directly upon the local authorities is borne out of the product of national taxation. The proportion so borne might vary; and with the development of the Regions it might well become possible for Local Government to bear directly a high proportion of its own expenditure; but the principle that, where a local body is called upon to perform an essential national service, a part of the cost may be borne out of the proceeds of national taxation, must remain intact as long as a national authority and national taxation remain in existence at all. The method of making this national assistance available to the local authorities might, doubtless, be altered with the development of the regional system, and the Regions might well become, if not at once, at least by a series of stages, the intermediaries through which the national subventions available for the local authorities would be distributed to the various bodies entitled to receive them. To make the Regions in this way the intermediaries would manifestly facilitate very greatly the taking over by them of the functions of inspection and supervision of Local Government now so largely undertaken by the swollen Departments of the central Government. It would thus be an important further step in the establishment of a system of regional autonomy.

CHAPTER XI

REGIONAL FINANCE : PUBLIC SERVICES

THERE has always been, amongst the advocates of the extension of public ownership in the sphere of industries and services, a strong objection to the conduct of such services by public authorities on a revenue-producing basis. Industries and services conducted by public authorities, it has been urged, ought to serve the public at cost price, or less. It may be desirable to provide certain services and even certain commodities for a charge which is less than cost price; but only in very exceptional cases can it, according to the accepted theory of the advocates of public enterprise, be desirable to charge for a commodity more than it actually costs to produce, or, for a service, more than the actual cost of rendering it. Is not the main object of transferring a service from private to public administration the elimination of the toll of profit which is at present levied by the private property owner, and would not the conduct of industries or services by public bodies in such a way as to realize a surplus be in effect a retention of the profit-making system under the auspices of the community itself?

Practically, there is a great deal to be said for this argument, which has in fact served a very useful purpose in the past in preventing the use of municipal and national services in order to relieve the ratepayer of burdens which would otherwise fall upon him. It is manifest, of course, that the charging of more than cost price for its services by a municipality or by the State is simply equivalent to a form of indirect taxation. It is just as much an indirect tax when a public body charges a revenue-producing price for its com-

The Future of Local Government

modities or services as when it imposes a levy of customs or excise upon a privately supplied commodity. As long, therefore, as the arguments which induce Socialists and Labour advocates to prefer direct to indirect taxation, on the ground that on the whole direct taxation spreads the burden more equitably and results more in the alienation by the community of the real taxable surplus available in the hands of individuals, retain their force, it will remain true that a general adoption of the method of conducting publicly owned and administered services with a view to realizing a surplus is undesirable and ought to be opposed.

This conclusion, however, only holds good on certain assumptions. It is the unequal distribution of wealth in the community, and the possession by certain numerically small classes of a large proportion of the total national income, that make direct taxation so far preferable to indirect taxation, because, to some extent at least, it enables the heavier burden to be placed upon the richer classes. But this argument is valid *only* as long as this inequality of wealth exists in a marked form. In a society free from such inequalities, the burden of bearing the cost of non-remunerative services administered by national, regional, or local public authorities, in so far as these services would require to be maintained on a non-remunerative basis under such a system, would have to be borne with some approximation to equality by all the members of the community. It would therefore be immaterial in principle whether they were financed out of direct or indirect taxation, national, regional, or local, and it might well prove under such a system more convenient to provide a large part, if not the whole, of the revenue required for public administration, not by direct taxation of personal incomes, but by a tax levied, at an approximately flat rate, upon the industries and reproductive services themselves. This method, if the present

Regional Finance: Public Services

objections to it no longer retained their force owing to a redistribution of personal incomes, would probably prove considerably cheaper and less cumbersome than any attempt to deduct from the individual income of each member of the community the sum required for purposes of communal administration.

I therefore look forward, in the Socialist future, to a system under which the revenue required by public bodies will be obtained by them largely by taxation at source of the various industries and services, or, if these services are themselves directly conducted by the public authorities, by so administering them as to realize a surplus which could be applied to the upkeep of services such as education, which ought never to be placed on a financially self-supporting basis. Under a Socialist system it will always be desirable that certain services, of which the most important are those of education and public health, should be supplied free of charge, because it is necessary, in the interests of the whole community, to maximize the individual consumption and use of the resources placed by them at the disposal of Society. These services will always, therefore, have to be maintained out of funds raised by the public authorities to which they are entrusted, either by direct taxation of individuals, or out of the surplus revenue of other services which there is no such reason for supplying free of charge or at less than cost.

The essence of this argument may fairly be stated in another way. At present the Co-operative movement, it is often said, supplies its customers with the products which they purchase at its stores at cost price. In one sense this is so; but in another it is not. The Co-operative Society does not supply each individual product, or each group of products, at the price which it costs the Co-operative movement to produce and distribute it. It adopts as the basis of its schedules of prices the actual market price set by capitalism, and this price of course includes the

The Future of Local Government

element of private profit. The Co-operative movement, however, having charged the market price, avoids the making of a profit by returning the surplus left in its hands, after paying the cost of production and distribution, to its customers in proportion to the amount of their purchases. Thus, when the customer has deducted the amount which he receives in dividend from the aggregate of the prices which he has paid for commodities purchased at the store, it is often said that he has paid cost price and no more.

Broadly speaking, this is true; but subject to two reservations. In the first place, the various departments of a Co-operative Society may make very different rates of surplus on their turnover, and the same department may make very different rates of surplus on the sale of different articles, and on the sales of some may make a loss. The dividend, however, is calculated, not on the actual surplus or deficit realized by the sale of a particular commodity or on the sales of a particular department, but on the aggregate surplus realized on the sales of all departments. In other words, the Co-operative movement does not supply any particular commodity at cost price, but it does, subject to the reservation which follows, supply *all* commodities at their aggregate cost price.

The second reservation is also important. The Co-operative movement does not return to the individual member of the store the whole of the difference between the aggregate cost price of the articles which he has purchased and the aggregate of the market prices which he has paid for them. It retains a certain amount of this surplus both for purposes of internal development and, to a considerably greater extent, for the provision of certain communal services. Notably, it sets aside a certain small percentage of the surplus for the purpose of education; and Co-operative stores also increasingly provide club rooms, convalescent homes, and similar facilities for their

Regional Finance: Public Services

members. In other words, the Co-operative movement, without in any way detracting from its principle of service to the consumer without profit in any form, does already on a small scale in this country, and on a considerably greater scale in some foreign countries, apply the surplus revenue realized by the sale of certain classes of commodities to the provision of non-reproductive services of other kinds for its members.

It is this principle, which is largely recognized in the Co-operative movement as not only as harmless but as actually beneficent, that I should desire to see applied on a far more considerable scale in the sphere of publicly-controlled industries and services in the future. It is true that, in the Co-operative movement, the system is made possible largely by the fact that the great mass of Co-operative consumers have approximately the same standard of living, and that therefore the disadvantages resulting from indirect taxation in the community as a whole at the present time do not apply to the methods which Co-operators adopt for financing services useful to their membership as a whole. The point I want to make is not that indirect taxation, applied in the manner which I have suggested, is immediately practicable or desirable on any considerable scale, but that *the objections to it are purely conditional objections and draw their whole force from the existence within the community of large inequalities of wealth and of a large reservoir of taxable surplus, in the form of personal income, in the hands of particular classes of persons.*

In the capitalist society of to-day it is not possible, for the reasons which have already been stated, to look to the development of communal services under direct public ownership as a means of relieving the financial embarrassments either of the national government or of local or regional authorities; but it is, I believe, to this source that we shall have to look more and more in the future with the disappearance of the existing inequalities of wealth, which cannot

The Future of Local Government

be much longer tolerated by a society which is tumbling to pieces under the stress of the financial burdens which have been placed upon it. Although, therefore, the consideration of the extent to which the Region can develop forms of public enterprise which have hitherto been out of the reach of the existing local authorities is not immediately relevant to the financial problem with which Local Government is confronted at the present moment, the possibility of a widespread extension of public enterprise on a regional basis has a very great deal to do with the financial arrangements of any future society dis-embarrassed of capitalism and of anti-social inequalities of wealth.

The Region of the future, after the disappearance of capitalism, will be in its economic aspects an inclusive Co-operative Society of which all its inhabitants will be members. It will distribute to its members the goods and services for which it is responsible at cost prices, approximately in the same sense as commodities are now distributed at cost price to the members of a Co-operative Society. But this cost price will include, on a considerably larger scale than is the case in the Co-operative movement of this country to-day, the provision directly to the members of services and perhaps of commodities for which no direct payment is required, because it is thought desirable that these services should be distributed in such a way as to encourage the fullest possible use and consumption of them.

The considerations put forward in this chapter are of necessity very general; for we have not yet even begun to consider how far the Region can be made an effective instrument of socialization, or to what extent industries and services which are now conducted under the control of private persons and companies can suitably be transferred to the ownership of the regional bodies. It is to this all-important question that we must now turn.

CHAPTER XII

SOCIALIZATION

AT the very beginning of this chapter I want to make it clear that I am not here discussing the forms of administration to be adopted in any industry which may be transferred from private to public ownership and control. Some of the problems which centre round this point are discussed in the later chapters of this book, in which the place of the producers—the workers actually engaged in the various industries and services—in relation to their control, is dealt with as a problem of Local Government administration. Here, however, I want to concentrate attention on the single issue of the extent to which the machinery of Local Government, re-organized in the manner suggested in earlier chapters of this book, can be used as an instrument for the transference of industry from private to public ownership, without in any way raising or pre-judging the question whether industries and services so transferred should be actually administered by representatives of producers or of consumers or of both.

There are many people who, while they admit fully the desirability, on general grounds, of a transfer of industry from private to public ownership, feel considerable difficulty in the practical application of this principle. On the one hand, they neither regard the State as a suitable body upon which to confer industrial functions, nor do they desire to see brought about that centralization of the whole administration of industry which seems likely to result from its transference into the hands of a body operating on a national scale. They recognize that one of the principal disadvantages of private ownership in in-

The Future of Local Government

dustry, in the form which it has assumed in recent times, lies precisely in the growing concentration of nearly all industries and services in the hands of more and more centralized trusts and associations. These mammoth industrial combines, whatever may be their effect immediately on the financial prosperity of the industries in which they operate, on prices, and on industrial development, undoubtedly tend to settle down easily into a groove, and, after a time at least, to repress development and show themselves hostile to that varied initiation which is necessary for the further development of industry. Trusts are hostile to enterprise, and the growing trustification of industry is robbing the capitalist system of what has been its principal attraction to those who have been prepared to advocate it in the past in spite of its many moral and economic disadvantages.

Those who recognize the evils of the growing trustification and centralization of the capitalist system are indeed anxious that, in any new system which is devised to take its place, these evils should not be reproduced, and possibly exaggerated. It is necessary, they will agree, to eliminate all forms of profit-making from industries and services which are essential to the life of the nation; but the elimination of profit by itself is not enough. Conditions must also be provided under which these industries will be free to develop in their own way; and for this the widest possible diversity of free experiment and initiative is required. This feeling, and this desire for industrial freedom, have indeed largely given birth to the Guild movement, and to the other movements which exist for the advocacy of workers' control in industry; but there have not been wanting critics of the Guild system itself, who have said that, even if the control of administration is placed in the hands of the producers, this will not suffice to preserve initiative and diversity of experiment, if producers' control operates

Socialization

on the same huge scale and with the same degree of centralization as are characteristic alike of trustified capitalism and of the collectivist regulation of industry. It is necessary to provide, not only for freedom in the industry as a whole, but also for freedom for its various parts—for the smaller groupings within each industry.

This objection to a wholesale extension of nationalization is often stated in another way. There are many who, while they are fully prepared for the nationalization of the railways and mines, and of certain other basic industries engaged in rendering comparatively uniform services necessarily administered on a large scale, have very much graver objections to an extension of nationalization into the sphere of the ordinary productive industries and services. You can, they say, nationalize the mines or the railways, because getting coal or running trains is, comparatively speaking, a "routine sort of job" that has to be done in much the same way everywhere. But, as soon as it is a question of reorganizing productive industries, the immense diversity of their products and of the methods of producing and marketing these products, raises almost insuperable difficulties in the way of the efficiency of any system that is to be applied uniformly and under central direction to the industry as a whole. A good many Liberals, who have no theoretical objection to private capitalism, take, I believe, this view. They favour the nationalization of mines and railways; but they hold that the general mass of industries and services will have, in the interests of "enterprise," to continue to be conducted by private individuals and for private profit.

It is easy for Liberals to take up this attitude because they have no fundamental objection to the conduct of industry on a profit-making basis. For Socialists, the position is widely different. They feel certain that, as long as industry is conducted on a

The Future of Local Government

basis of private profit, there can be neither health in the body politic nor a discontinuance of the class struggle which is fatal to the development of industry as a public service. Any reconstruction of industry on a basis of profit-making capitalism, they believe, will and should break down in face of the growing reluctance of the main body of the workers to work under a system which they consider to be anti-social in its effects and to offer to them no sufficient reason why they should do their best. I do not propose in this book to attempt any fuller analysis of the arguments upon which this conclusion is based. I have stated them fully elsewhere,¹ and I propose now to appeal to those who are convinced that this line of reasoning is sound and that private capitalism in industry must come to an end, but are at the same time apprehensive of the effects of a general transference of industries and services into the hands of a large national organization, whether it calls itself a State, or a Soviet, or a system of National Guilds.

How far is a system of Local Government, re-organized on the lines of regional autonomy laid down in the earlier chapters of this book, capable of affording a solution of this admittedly difficult problem? In other words, if it is not desirable to transfer either the ownership or the control of most industries and services into the hands of a body or bodies operating over the whole area of the nation, is there the same objection to transferring the ownership of these industries and services into the hands of bodies, equally public and communal in character, but operating over a smaller area? May it not be possible to escape the disadvantages of central ownership and control by regionalizing instead of nationalizing many industries and services?

The measures advocated by those who desire to transfer industry from private to public ownership have, of course, achieved in the past a considerably

¹ See especially my *Chaos and Order in Industry*, Chapter II.

Socialization

greater measure of practical success in the sphere of Local than of Central Government. The State has its Dockyards and Arsenals, its Post Office and a few minor industrial establishments; but municipalities conduct already, under their own ownership and control, a far wider range of industries, which are usually classified together under the name of public utilities. They control also the great non-industrial services of education and public health, and these become constantly more extensive and important as our conception of their social functions expands. British Socialists in the past have devoted a great deal of attention to what used to be known as "gas and water Socialism," or, in other words, the extension and development of municipal enterprise.

In arguing the economic case for regional organization we have already indicated that the adoption of a regional basis for Local Government would make possible a great extension of this work. While the purely local authorities would continue, within the Regions, to develop more and more services directly intended for use of their own citizens, the Regions themselves would be able to devote themselves to the development of many services also in the nature of public utilities which the existing local bodies are too small to undertake, or, at least, to undertake effectively. So much has already been fully argued; but the question which I am now raising is far wider. How far, given the adoption of a regional system of Government, would it be possible for the Regions to undertake, not only an extended development of publicly owned and controlled utility services, but also the socialization of many of those industries which are concerned in the production of commodities for general sale, either as finished goods or as semi-manufactures?

Shortly after the conclusion of the war, the General Confederation of Labour in France published an exceedingly interesting memorandum, worked out by

The Future of Local Government

it in conjunction with representatives of the organized technicians and administrators, on "industrial nationalization." This dealt both with the question of the form of control to be adopted in an industry or service transferred from private to public ownership and also with the form which public ownership in such cases ought to assume. One of its most valuable sections dealt with this very question which I am now discussing, and definitely put forward the suggestion that the socialization of industry would in many cases proceed, not on national, but on regional or departmental lines. A particular industry would thus be taken over, not as a whole by the national authority, but in sections by the various regional authorities within whose territory the establishments concerned in it lay. The C.G.T. did not attempt to lay down any hard and fast line as to the respective spheres within which national and regional ownership of industry should operate. Nor is it desirable to dogmatize on any such question; but it may at least be suggested that, in the working out of any plan for the transference of industry from private to public ownership, the balance of advantage is always on the side of transference into the hands of an authority operating over a comparatively restricted area, unless very strong arguments can be put forward in favour of a uniform control of the industry concerned over the whole area of the nation.

Without therefore attempting to arrive at a definite formula, I am inclined to suggest that the majority of important productive industries and services will never and should never be "nationalized" in the sense in which the word is ordinarily understood. At the same time they should and must be socialized, in the sense that they must be transferred from private to some form of public ownership. The creation of the regional bodies which I have proposed would surely make possible, when once these bodies were firmly established and had mastered the tasks originally set

Socialization

to them in the sphere of public utilities and non-industrial services, the assumption by them of many forms of industrial ownership which would be quite out of the reach of the existing local bodies. I see no reason at all, for example, why the Lancastrian Region should not itself expropriate the present owners of its most important industry and bring the cotton industry, in so far as it lies within its borders, under the direct ownership of the Region itself. I see no reason why the Yorkshire Region should not acquire a similar ownership of the woollen and worsted industry, or Wales of the tinplate industry. These are all cases in which by far the greatest part of a particular industry is actually carried on within the borders of a single Region; but I do not mean at all to confine the force of what I am saying to industries which are localized in this way. I see no reason why the shipyards and engineering factories in the various regional areas should not similarly be acquired by the regional bodies, although in the case of the shipyards it is a moot point whether national or regional ownership is the more desirable, and whether shipbuilding and the mercantile marine as a whole should not be treated, like the railway system, as a national service, requiring unified control over the whole area of the nation. Whatever may be the decision in a particular instance, the general principle holds good. Except in industries in which there are very cogent reasons for unified national ownership, the best form of socialization seems to be the acquisition of such industries on behalf of the Regions.

It may be remembered that, in the course of the inquiry conducted by the Coal Commission in 1919, it was suggested by certain of the witnesses that the right way of dealing with the demand for public ownership of the mining industry was not to nationalize the coalfields as a whole but to make an experimental beginning with one or more of them by transferring a part of the industry directly to State

The Future of Local Government

ownership. This suggestion was not followed up, nor in the case of the coal industry, which appears to demand organization on a national scale almost in the same degree as the railway service, is it a proposal that has much to recommend it. But in dealing with other industries and services, "experimental" socialization may well prove to be desirable, and such socialization could be carried out better if it were executed not by the central Government of the country but by a regional body acting on its own behalf. As the C.G.T. memorandum points out, the adoption of this method would make it easier to experiment in different forms of socialization, and there would be no necessity for the methods of administration and control to be uniform over the whole country, or for the whole of each industry to be taken over at the same time. The iron and steel industry of the North-East Coast might pass into regional ownership, while the iron and steel industry of Sheffield and the Midlands remained for a time in private hands, or, if both were socialized, the forms of socialization adopted might differ considerably. Thus, although the suggestion put forward at the Coal Commission was out of place in its application to the mining industry, this is not because the suggestion is itself on a wrong basis, but because mining is an essential industry underlying all others, and therefore requiring organization on a national basis.

These proposals for regional socialization are put forward, then, on a double ground. They seem likely to afford the best means of administering productive industries transferred from private to public ownership with an avoidance of the dangers of centralized control and undue uniformity of method, and at the same time they afford the opportunity for an easier transition to public ownership and for a wider distribution of the responsibility for bringing about the change. Even the most optimistic advocates of nationalization by the State realize that, even if a

Socialization

Government fully prepared to nationalize were in power, the pace at which it would be possible to carry through the transference of industry from private to national ownership would necessarily, because of the many complications involved, be very slow. The process of transition could, however, be greatly speeded up if it were in the hands, not of a single overworked national body endeavouring to bring about a general socialization of industry by its own unaided efforts, but of a number of regional bodies each confronting its own problems, and each bearing its share of the burden.

The adoption of the proposals contained in this chapter would, of course, involve legislation. The Regions could not socialize unless they were given power to do so, and this power would have to be very comprehensive in order to make possible the widespread measures of regional socialization here outlined. The principle which this legislation should follow would, I think, be that of giving into the hands of the Regions a comprehensive power to undertake any measure of socialization which they might desire, just as the local authorities ought not now to have to go to Parliament whenever they desire to take into their own hands the ownership and administration of any particular public utility service. Precisely as the existing local authorities ought to have a larger power to assume the ownership of any service which the citizens may feel it desirable to take into their own hands, so the Regions ought to possess a similar general power, subject only to reservation in the case of those services which the Community may decide to transfer to public ownership on a national scale. The regional system which I have suggested cannot grow to its full stature except on a basis not merely of regional autonomy of administration, but also of regional freedom to develop in any way, consistent with the well-being of the whole community, which the citizens of the Region may consider to be de-

The Future of Local Government

sirable. This freedom of development should certainly include the power to assume the ownership of industries within the Region and to adopt the methods which each Region itself might think best for their administration and development, subject only to minimum conditions nationally laid down on behalf of the whole community.

CHAPTER XIII

THE POSSIBILITIES OF JOINT ACTION

IN dealing with the economic functions of the proposed regional authorities, I have spoken throughout, so far, as if each Region would be a self-contained unit acting in complete independence of other Regions, and as if any services requiring unified administration or co-ordinated development over an area larger than that of the Region would necessarily fall within the sphere of a national, as opposed to a regional, public authority. I do not, however, really mean to suggest this; for it appears to me that regional government would not only afford the opportunity for a big development of industries on the basis of public service under the direct auspices of the separate Regions, but would also make possible a co-ordinated development of services by two or more Regions acting together, or by all the Regions acting through an inclusive National Federation of Regional Authorities. In this chapter I want to consider the possibilities of joint action on these lines.

Under the existing system of Local Government, the separate local authorities have developed, in some cases to a considerable extent, the practice of joint action in the supply of certain services, both economic and non-economic. Joint committees, representing a number of separate local authorities, have come into existence for a number of purposes, and are being multiplied as the sphere of Local Government action expands, and as the necessity for unified development of certain services over a wider area becomes more manifest. The joint electricity authorities which are now (February, 1921) being constituted in various parts of the country in order to co-ordinate the genera-

The Future of Local Government

tion of electrical power furnish an instance of this form of *ad hoc* combination of existing local bodies.¹

Objection is often taken to these forms of joint action on the ground that they result in a loss of democratic control in the services which are thus handed over to administration by a joint authority. The members of the joint authority, even if they are themselves elected persons, and therefore in one sense responsible to their constituents, are not directly responsible to the individual electors in respect of the work which they do as members of the joint authority. It is difficult to secure adequate publicity as to the proceedings of such joint authorities, and difficult also for the public to exercise any control over them, because there is no actual election at which it can concentrate attention on the shortcomings of the administration. In the elections for the various separate local authorities, representatives of which together constitute the joint authority, other issues predominate, and there is in any case no unity among the various electorates to which the joint authority is ultimately responsible. Labour therefore, laying, as it does, great stress on the principle of public control over Local Government administration, has sometimes been forced into an attitude of opposition to the constitution of joint authorities. This is unfortunate, not because such authorities in their present form are at all well suited for the work which they have to undertake, but because, in opposing them, Labour has necessarily seemed at times to be opposing the principle of a widening of the area of Local Government services, although it is manifest that in a number of spheres this widening is an indispensable condition of efficient public administration.

¹ The point which I am here making is not affected by the fact that, in these particular cases, the areas proposed for the new electricity authorities are most unsatisfactory, or by the fact that bodies other than local authorities are, unfortunately, being accorded representation upon them.

The Possibilities of Joint Action

The adoption of a regional system of Government would, of course, get rid of the necessity for the constitution of joint authorities in most of the spheres in which they have hitherto been adopted. The joint authority has come into existence precisely because of the inadequacy of the present Local Government areas; and this inadequacy, so far as most of the existing purposes of Local Government administration are concerned, would be met by the constitution of unified regional bodies capable of administering directly the services for which these larger areas are required. But, if I am right in contemplating a great extension of Local Government activities, not only in the comparatively restricted sphere of recognized public utility services, but also in that of ordinary productive industry, a new problem of areas will arise, and there will be a need for co-ordination of the work of the separate Regions over a wider area, and in some cases, over the whole area of the nation.

I look forward, then, not only to the constitution of separate regional authorities with wide powers of self-development, but also to the concession to these authorities of extensive powers of joint action. In its most rudimentary form this joint action would, no doubt, consist simply of inter-regional agreements as to the way in which certain functions of inspection and administration should be carried out, or as to the forms of socialization and management to be applied to certain publicly owned services. But it would speedily, I believe, go a good deal further than this. For example, two or more Regions might take common action, even at an early stage in the process of socialization, to acquire coal mines, steel works, and other industrial establishments necessary in order to supply them with the materials employed in the public utility services which they themselves directly administered. From this they might go on to adopt larger forms, not merely of regional, but of inter-regional, socialization of industry, developing their

The Future of Local Government

supply services on a national scale with something like the same relation to themselves of these national developments as the Co-operative Wholesale Society bears to the local Co-operative Stores with their distributive and productive departments.

This development would probably begin, much as under the existing forms of Local Government action over a wider area than that of the single local authority has begun, with attempts at *ad hoc* joint action between two or more Regions. This being so, they would doubtless be open, as the present developments of joint action are open, to the charges mentioned above that they involve some risk of a destruction of effective public control over the services so administered. This, however, is probably to some extent inevitable in the preliminary stages of any such developments; and, just as the necessity for joint action and the difficulties in the way of it as long as Local Government retains its present structure have done a great deal to foster the desire for regional organization, so the necessity for co-ordination between the Regions would in its turn stimulate the movement in favour of the creation of authorities through which the work of the Regions themselves would be co-ordinated. The way would thus be made plain for the creation of an inter-regional authority, covering the whole area of the nation and linking up the whole of the regional bodies.

But, it will be said, is not this to make the Region usurp directly the functions of the national State, or at least is it not merely to create over against the machinery of national Government a new form of machinery essentially in rivalry with it? Why not treat the existing State as capable of developing into the inter-regional body required, and entrust to it the task of co-ordinating the work of the various Regions in so far as it is not self-contained, and of administering directly those services which require to be

The Possibilities of Joint Action

administered over an area wider than that of the Region?

If the reader will turn back to the earlier chapters of this book, he will find briefly stated the reasons which induce the author to reject the suggestion which this question contains. One of the many objects of introducing a regional form of organization is to dis-embarrass the State of the huge accumulation of economic functions which has grown up around it during recent generations. This object would be ill-accomplished if the State were introduced into the economic field as the co-ordinator of Regions and the direct administrator of services too large for the control of a single Region. The State is not a suitable body, either to administer economic or social services, or to serve as the representative of the consumer or user in relation to such services, whatever form of administration may be adopted for them. The State is a piece of political machinery which, whatever may be its other uses, is at least singularly ill-adapted for this work. For the economic work of Society and for the administration of its social services we require bodies directly constituted with this object in view, and not bodies which make a half-hearted attempt to deal with such questions in the time which they can find over from their many functions of political Government.

I suggest, therefore, that an essential part of any regional reconstruction of the machinery of Local Government is the creation of a national body directly related to the various Regions and entrusted solely with the work of co-ordinating the services which the Regions administer, and of directly owning and supervising those services which demand a higher degree of unification than the Regions themselves are able to afford. In other words, where in the last chapter reference was made to industries such as mining, which are not suitable for regional ownership because they need to be nationally administered, the right

The Future of Local Government

solution lies, not in the permanent ownership and supervision of these industries by the State, but in the placing of them under the ownership of a body more directly related to the various Regions, and created directly for the purpose of bringing about common action among them.

Such a body would clearly not supersede the State; for it would be no part of its duty to undertake the political functions with which the State is still largely concerned, despite the growth of its economic activities. It would result only in the subtraction from the sphere of State action of the whole range of economic and social services, from productive industries to non-economic services such as education and public health. Whether, under such a constitution, the State would continue to exist in its present form in order to carry out the political work of Society, or whether some other body better suited to undertake that work would take its place, is a question which falls outside the scope of this book. Here we are only concerned with the fact that the full development of the regional system would make possible the complete elimination of the State from direct concern in matters of economic and social administration.¹ The growth of a national body of the type contemplated in this chapter would inevitably be gradual; for it could come into existence only as the result of the actual working of the Regions, and, until the Regions had settled down and acquired something like their full stature, it would hardly be possible to bring more than a very rudimentary sketch of the proposed organization into being. This chapter therefore relates to a stage in the development of the new system of Government subsequent to that outlined in previous chapters. As the Regions separately grow and expand, and particularly as they bring fresh industries and services under their control, and adopt the forms of socialization outlined

¹ For the discussion of this question see the chapters on "The Commune" in my *Guild Socialism Re-stated*.

The Possibilities of Joint Action

in the preceding chapter, they will be led, first by *ad hoc* joint committees and at a later stage by more formal methods of federation, to create national bodies for the co-ordination of their work. These creations will be the forerunners of the proposed new form of national economic organization, and will themselves, as they grow, be able to play their part in the work of socializing the basic industries and national utility services. No one can anticipate accurately the precise forms which this development will take, or the stages by which it will be brought into being; but it seems plausible to suggest that the first development of direct administrative work under the auspices of the super-regional authority will take the form either of providing the basic economic and social services required by the Regions in order to facilitate the expansion of the services which they themselves own and supervise, or of a transference of powers from the national State in respect of industries and services already nationally owned or controlled. For example, the national supervision and co-ordination of the electricity services maintained by the various Regions might at a comparatively early stage be transferred to the super-regional body; but it would probably be some time later before the State would agree to transfer to it the ownership and supervision either of the Post Office, of the national railway service, or of the mining industry. This, however, would be the logical outcome of developments on the lines indicated in this chapter.

CHAPTER XIV

GENERAL *VERSUS* AD HOC AUTHORITIES

IT is a very old controversy in the sphere of Local Government whether better administration and democratic control are secured, and the greater effective interest of the electors stimulated, by the entrusting of Local Government functions to general or to *ad hoc* authorities. Ought the citizens of a particular place to choose one body to represent them in all concerns of public administration, economic and social alike; or ought they to choose several different bodies each to represent them in a distinct sphere, and each to be entrusted with a part of the work of administering the affairs of the locality? This is not a question of the form of franchise to be adopted; for where the *ad hoc* principle is followed, all the bodies chosen may be elected on a suffrage as direct and universal as where there is only a single *omnibus* local authority. It is a question whether it is better for the will of the citizens to be expressed directly in all matters through a single representative assembly, or whether this will can be more effectively expressed and better administration secured if the work is divided on a basis of *function*.

In this country the modern tendency of Local Government administration hitherto has been towards the *omnibus* authority. The amazing complexities which existed in the experimental stages of Local Government administration a century ago have largely been swept away, and it is no longer usual to find separate boards and commissions existing for all manner of special purposes of local administration. The Boards of Guardians are almost the only *ad hoc*

General *versus* ad hoc Authorities

authorities which remain in existence throughout the country, although there are still quite a number of *ad hoc* bodies in particular areas such as ports. Even the separate School Boards have been swept away in favour of the Local Education Authorities, which are committees of the elected Town or County Council. The tendency has been, on the one side, to sweep away the independent and separately elected *ad hoc* authorities, and on the other to increase the complexity of the system of Committees through which nearly all the actual administrative work of Local Government is carried on. There has also been, in conjunction with the spread of this system of committees, an increase in the element of co-optation onto them of persons specially concerned in, or possessing an expert knowledge of, a particular branch of Local Government administration.

In face of this general tendency, a good many people are inclined to dismiss out of hand the question of a possible establishment of the *ad hoc* system in Local Government. The *ad hoc* bodies, they say, have been tried and have failed, and it only remains to sweep away the last wide-spread survival of them, the Board of Guardians, and to distribute its functions among the appropriate Committees of the local authorities in town and country. Indeed, few can be found, except Guardians themselves, to put up at this time of day a case in favour of the retention of the Poor Law, or of the *ad hoc* bodies which are now entrusted with its administration.

But it would be very misleading to take the Board of Guardians as a proper or typical representative of the *ad hoc* system in Local Government. What is wrong with the Guardians is not that they are elected *ad hoc*, but that the category on which their election is based is altogether a wrong one. The demand for the abolition of the Guardians arises from the fact that it is becoming generally recognized that the whole conception on which their special powers are founded

The Future of Local Government

—the distinction between relief of destitution and the provision by the ordinary local authorities of communal services in the sphere of public health and education—is fundamentally wrong. The “pauper taint,” the principle of “less eligibility,” and all the rest of the principles of the Poor Law Commission of 1834 are quite indefensible under modern conditions. The Guardians are not in any real sense *ad hoc* authorities at all, because the *hoc* “function” which they exist to perform is not now, even if it was ever, a real function. It is at most a mere survival from an obsolete set of social conditions.

The case, then, for and against *ad hoc* authorities requires to be argued without any reference to the particular instance of the Boards of Guardians, which the advocate of *ad hoc* representation may be quite as anxious to sweep away as the most determined opponent of the *ad hoc* authority. Any *ad hoc* system that is worth talking about must be based on a real distinction of functions, applicable to the Local Government conditions of to-day; and it is in relation to proposals based on such a distinction that the case must be argued.

The principal functions of local authorities at the present time fall into three main groups. First, there is the group of activities, often regarded as the principal function of the local bodies, which has grown up mainly since the time of the Public Health legislation passed in the middle of the last century. This group of activities deals with the health of the people in the broadest sense. It includes, not only the direct sanitary functions of the authorities—sanitary authorities it will be remembered they used to be called—but also the greatly enlarged powers which they have secured in recent years in respect of housing and town planning. It includes also the care of parks and open spaces, and, in short, everything dealing with the material environment of the citizens which falls outside the sphere of the public utility services. The

General *versus* ad hoc Authorities

second group of activities may be roughly classified together as "trading" activities. It includes the control and supervision of all those services which are rendered to the citizens under the ownership of the local authority: gas, water, electricity, tramways, and the others which Mr. Sidney Webb is so fond of enumerating. This group of services is at present broadly marked off from the first group, not only by its distinctive character, but also by the fact that in normal cases the local authority makes a charge, either by way of a direct rate, as in the case of water, or in accordance with the actual consumption or use, as in the case of most other services, whereas the great mass of its services in the sphere of public health are rendered free of charge, save, of course, that it does not let its houses rent free. The third group of activities centres round education in the broadest sense, and includes, not only the ownership and control of the schools devoted to elementary and higher education, but also many related cultural services from libraries to art galleries, municipal theatres, and many other amenities which we may hope to see far more liberally provided or assisted by Local Government authorities in the future.

I do not pretend that the delimitation even between these three broad groups of services is by any means clear. Education and health, for example, clearly mingle at many points. Housing is, in one aspect, a trading service. Pure water and pure milk are manifest conditions of good health, and there is hardly a public utility service that has not its public health aspects. But, while there are these marginal overlappings, which would clearly necessitate a close co-ordination between authorities responsible for the control of the three groups of Local Government activity, the broad distinction between the three groups remains. I believe that in future the interests of the community will be best served by the existence of three separately chosen local authorities in each

The Future of Local Government

area, or at least in each area of considerable size, each entrusted with the care of one of these broad groups of functions. This is the proposal for *ad hoc* authorities in the form in which it appears to comply best with modern needs, and to recognize most clearly the conditions imposed by the modern development and widening of the functions of Local Government. It is also the form of organization which would be most readily adaptable for the great expansion of Local Government services contemplated in this book.

What, then, are the arguments in favour of a breaking up of the present machinery of Local Government on these functional lines? The case for such a multiplication of authorities will appear, perhaps, more clearly in the course of the succeeding chapter; but in this chapter I want to argue it entirely from a single point of view—that of the actual Local Government elector, who is now called upon to give his vote for the Urban, or Rural District, or County Council, and would, under the system which I am outlining, be called upon to give his vote for three distinct authorities in each of the re-constituted areas of Local Government which have been dealt with in earlier chapters.

The case for *ad hoc* organization in this new form seems to me to be three-fold, and to be based upon a consideration, first of the type of representative required, and the demands made upon him by those whom he represents; secondly, of the present confusion of issues in local as well as national public elections, and the possibility of ensuring a greater public control over the elected person by a clarifying of election issues; and, thirdly, of the confused mass of work with which local authorities are already called upon to deal, and the need, especially if this work is to be very much farther extended both in the sphere of health and education and by the adoption of large measures of socialization, for a distribution of the

General *versus* ad hoc Authorities

burden among a larger number of bodies, which would thus be better able to cope with it.

First, then, what is wanted of the elected person who is chosen to represent the citizens of, say, Manchester on their City Council? Would the citizens, if they were given a free range of choice, be likely to choose the same person to represent them in relation to all the widely divergent functions with which the Manchester City Council has to concern itself? They might do this under present conditions; but they would do so only because they owe allegiance to a particular Party, and are giving their votes either for Labour, or for a candidate who is pledged to reduce the rates. If the class differences in society were removed, there would still, no doubt, remain party differences based on divergent ideas of the sphere of Local Government action and the right measures to be adopted; but is it not certain that, whereas now the cleavages in relation to all the various functions of Local Government tend, for economic reasons, to run along the same lines, the position would be widely different if the class divisions in Society no longer existed? There would then be no conceivable reason why all the people who hold a particular view about the control of the local gas-works should also be bound together in support of the same opinion about the latest town-planning scheme, or the extent of the educational provision required in the City schools or the regional University. The cleavages would then run along lines of opinion and not of class differences expressing themselves in party loyalties. Men would, naturally, group themselves very differently according to the particular question under discussion.

Moreover, even under the existing conditions, when considerations of class and party largely swamp other considerations in Local as well as National Government, is it not the case that if, say, the Labour Party of a particular town were to choose someone to

The Future of Local Government

represent it in respect of education on the one hand and public health or local trading services on the other, it would in very many instances make a different choice for each of these purposes? It would choose the man in its own party best suited to look after its educational policy, or its public health and housing policy, or its trading policy, and these individuals would in the majority of cases be different. For it is, broadly speaking, true that a different type of knowledge, ability, and interest are required for effective service on a public body dealing with each of the broad types of administrative work to which I have referred. This is not a question of government by the expert; for I am not suggesting at all that the type of man it would be desirable to elect to the various local authorities would be a man possessing professional or expert knowledge in the types of administration concerned. It is a question, not of professionalism or government by the expert, but of interest and point of view. Very many men who are in no sense experts in teaching possess the sort of educational interest which would make them good representatives of the public on a body dealing with education, while they are almost entirely devoid of any interest or competence in industrial administration which would make them good representatives on a local trading authority. Such men are to a large extent excluded by the present system of Local Government, or, if they secure election on to a general authority, are compelled to deal with a great mass of work in relation to which they are in no sense fitted to fulfil a representative function. Nor is this true only in the matter of education, although perhaps it appears most clearly in the educational sphere. It is true also in the sphere of health, and true in relation to the trading and public utility services of Local Government. I do not think that anyone who really considers the problem can deny that this is the case, unless he holds the somewhat extraordinary view that the sole purpose

General *versus* ad hoc Authorities

of the election of a local body should be to look after the purely financial interests of the ratepayers; in which case, no doubt, the capacity required merely for unintelligent resistance to all forms of public expenditure that are not unavoidable or directly reproductive is very much the same in relation to all services. I am assuming, however, that the idea in the minds of my readers as to the work which a Local Government representative has to do is very much wider than this.

The second and third reasons which I gave a few pages back in favour of the *ad hoc* as against the general authority can be dealt with far more briefly. I urged that the constitution of *ad hoc* authorities is necessary in order to secure clarity of election issues and an effective control by the electors over their representatives. Not only is it necessary that the elector should be placed in such a position that he is able to choose to represent him the man who is particularly competent in relation to the special purposes with which the representative body in question is constituted in order to deal; it is also necessary that the actual election should be conducted under such conditions as will enable the real issues of policy to be brought effectively to the front, and so make the election itself a fair test of the will of the electors on the more vital and fundamental questions which have to be decided. It hardly needs much argument to show that these conditions are far from being realized under the existing arrangements of Local Government. It is true that the opportunities for the obfuscation of the real issues of government are less manifest and less numerous in the case of local than of national elections; but they are still enough to prevent the citizens from plainly declaring their minds even on the most important issues which are actually decided by those whom they elect. A clear election result cannot be secured when there are involved in the election all the diverse questions with which the

The Future of Local Government

present *omnibus* local authorities exist to deal, and, if the present artificial party distinctions, themselves largely the result of artificial class divisions in Society, were removed, the impossibility of achieving such a result on the basis of any single election for an *omnibus* authority would immediately become obvious. On the other hand, it is far more possible to clarify in an election campaign the principles and issues of policy relating either to education or to public health, or to the trading services controlled by a local authority; and, if three distinct bodies were created to deal with these broadly distinct groups of functions, a much greater clarity of elections could at once be secured, and with it a much more real and effective control by the whole body of citizens over those whom they elect to represent them.

The third reason which I gave related not to elections or to methods of choosing representatives but to the actual administrative work of the bodies concerned. It is literally impossible for any elected body, however efficient it may be, and however much of their time its members may be prepared to devote to its work, to conduct satisfactorily the huge agglomeration of duties which has already been accumulated in the hands of our local authorities, and this task would become far harder if the expansion of Local Government work which is contemplated in this book were actually accomplished. In practice to-day the growth of Local Government powers and duties means a steady decrease in the amount of effective control which the City Council or similar body is itself able to exercise over its various committees, and an increasing transference of the actual administrative power into the hands of those committees. This involves a further removal of the control of the affairs of the district into the hands of bodies which are not directly amenable to public scrutiny in relation to their day-to-day work. It would surely, from this point of view, be far better to split up the enormous

General *versus* ad hoc Authorities

responsibilities which are being imposed upon the local authorities among a number of distinct bodies, each of which would be enabled to handle, without undue difficulty, its own share of the administrative burden.

This, however, is the case only on one condition; there must be no such splitting up of Local Government functions as will serve to destroy the unity of the whole work done by the public bodies within the area concerned. If we are to return to the *ad hoc* system, we must have such an amount of co-ordination between the various *ad hoc* bodies by which the existing Councils with their functional committees will be replaced, as will ensure an effective co-operation of them all in carrying out the desires of the citizens of the area.

The problem of providing this co-ordination clearly centres round the question of finance. It is not desirable that each functional body should be in a position without limit to levy rates or other forms of taxation upon the citizens; nor on the other hand is it desirable that the amount to be expended upon a particular group of services should be arbitrarily limited by national statute law in the way in which for so many years up to 1918 the expenditure of local authorities on higher education was limited. I am therefore suggesting, not that each functional or *ad hoc* local authority should have an independent power to levy rates or other forms of taxation, but that this power should be exercised only by the various functional bodies acting together and in concert. There should be provision for the bringing together in a single assembly of the members of the three *ad hoc* authorities. There should be a standing Joint Finance Committee of the three bodies, and the sole power to levy rates or taxes should rest with the Joint Assembly as a whole, acting on the advice of the Joint Finance Committee. The amount of rates and taxes to be levied, and the appropriation of them as

The Future of Local Government

between the various forms of Local Government service, would thus be determined by the representatives chosen by the citizens to represent them in relation to all the distinct groups of Local Government functions.

This is an incomplete account of the structure which I should suggest as desirable for the local authorities of the future; for it takes no account of the representation, upon the Joint Assembly, of any body except the three directly elected *ad hoc* local authorities. To what extent I should suggest the representation of other bodies side by side with these will appear more clearly in the next chapter of this book. I want here, for the moment, to leave the case as I have stated it to stand as it is; for many of those who may not agree with me in the views which I put forward in these later chapters may be led to go as far as I have gone in this chapter, and to accept the view that *ad hoc* election, combined with such a system as I have outlined for the co-ordination of the three functional bodies proposed, is greatly preferable to the present system of Local Government elections, both because it is likely to secure a type of representative more capable of doing the work which he undertakes, and to represent the will of those who choose him, and because it is likely to provide for better administration, and for a more effective control by the public over the way in which that administration is carried on.

CHAPTER XV

LOCAL GOVERNMENT AND WORKERS' CONTROL

IN the description of the structure and working of the system of Local Government which has been so far outlined in this book, nothing has been said of a fundamental question which concerns equally all forms of Local Government enterprise, whatever may be the structure of the publicly elected authorities to which their ownership and supervision are entrusted. This is the question of control over administration. At present the employee in a publicly owned service, whether it be a tramway system or a gas works on the one hand, or an elementary or secondary school on the other, stands in much the same relationship to the local authority as the employee of a tramway company or an assistant master in a private school stands to his employer. There is the difference that, in the one case, the service is being conducted for profit, whereas in the other case it is not, and this, no doubt, makes some difference in the attitude of the worker towards the work which he is called upon to perform. But, so far as the actual conditions under which the work is done are concerned, there is no essential difference between the two forms of employment. In either case, the worker is an employed person doing his job under the supervision and control of persons whom he has no voice in choosing, and under a discipline which he does not himself arrange except in so far as his Trade Union is able to impose, by collective bargaining, certain minimum standards and safeguards upon his employer. In the public services as much as in the service of a private firm or individual, the rank-and-file worker is a mere

The Future of Local Government

wage-earner, or at best a mere salary-earner, divorced from all control over the use to which his work is put, or the manner in which his service is ordered.

It would be quite impossible in this book to argue at all completely the case for a fundamental reversal of this relationship throughout the whole sphere of industries and services, or to do more than indicate in very general terms what are the considerations which have led the workers, both in industry and in such services as education, to give an important place in their programmes of demands and aspirations to the claim for an effective voice in the control of the services which they are called upon to render to the community. This case has been stated again and again in other contexts. It forms the essential nucleus of the propaganda of Guild Socialism, and it has occupied a prominent place both in the propaganda of many Labour bodies and in the programmes brought forward by important Trade Unions and professional associations. When the miners demanded the nationalization of the coal industry before the Coal Commission in 1919, they were very careful to make it plain that what they were asking for was not the transference of industry from the administration of profit-making mine-owners to a State bureaucracy, but the establishment of a system of industrial self-government under which the working miners, including the professional, technical and administrative staffs necessary to the efficient working of the mines, would be trusted, on behalf of the whole community, with the administration of the mines as a national service. Again, when the building operatives, two years ago, set out to devise their own means of dealing with the impossible muddle into which housing policy had been allowed to drift, the solution at which they arrived was the creation of Building Guilds, through which the workers would freely organize their service for the public benefit, seeking, not to make a profit, but, while serving the public at cost

Workers' Control

price, to do so under conditions which would give them the consciousness of playing their own effective part in the control and administration, and would thus promote better workmanship and greater production without degrading the life-standard of the workers or causing them to be speeded up in order that individuals might appropriate a surplus value through the utilization of their labour-power.

Not only in this case, but in many different groups and sections of the Trade Union movement, we are faced to-day with a widespread and growingly articulate demand for industrial freedom in the shape of administrative self-government in industry. The workers are claiming that the right and responsibility of organizing their public service properly belongs to them, and that they must be set free and trusted to undertake this work of organization before the public has a right to expect either industrial efficiency and high quality of production, or even a willingness on the workers' part to labour at all. How, under the system of Local Government with which this book deals, will this demand be met, and what will be the respective shares of the elected local authorities, either on an *ad hoc* or on a general basis, and of the organized groups of workers by hand and brain by whom the services have actually to be performed, in their control?

As a Guild Socialist, I believe that the control of industrial administration ought to be placed in the hands of the workers themselves, and that the workers in each industry and as far as possible in each separate industrial establishment should be left free to organize their service as seems to them best in the common interest. In holding this I am not claiming that the particular groups of workers who render such and such a service are the only persons who are concerned in its control. I am not saying that the mines ought to belong to the miners, or the trams to the tramway-men, or that these workers have, alone, a right to

The Future of Local Government

say how the trams shall be used, or what payment shall be made to those who maintain them. Clearly the elected representatives of the citizens have a right to a voice in all these matters, and this claim must receive full recognition.

But is it really in the interests of the citizens that they should attempt, through their elected representatives, since they cannot even attempt directly, actually to run and administer the tramway system or the educational system or any other industry or service that may come within the sphere of Local Government action? I do not believe that it is. I believe that the citizen will only get good service when he leaves the tramway workers and the teachers and the other organized groups of producers and service renderers, upon whose efficiency and willing co-operation the satisfaction of his needs and desires necessarily depends, free to carry out the normal and everyday organization of these services in their own way. He has to trust the producer for the very reason which has caused it to be universally admitted that free labour is better than slave labour. It is only when a man is trusted and when he feels that his social status is reasonably recognized and his work definitely directed to a beneficial and social end that he is willing to give of his best. Moreover, it is only under these conditions that the co-operation of the organized human groups which naturally form themselves among the workers in each industry or service can be enlisted on the side of good workmanship and efficient production. Even apart from the question of the human rights of Labour, it is positively in the interest of the citizen as a consumer or user of goods and services to place upon the producer or service renderer the fullest possible responsibility for the efficient conduct of his service in the common interest. This applies quite as much to the services organized under the auspices of local or regional elected authorities as in any other sphere, and I accordingly

Workers' Control

contemplate a condition of affairs under which the actual control of all the municipal industries and services, so far as their day to day running is concerned, will be in the hands, not of the Councils elected by the citizens to represent them in relation to this particular sphere of Local Government action, but of the workers actually engaged in rendering the service, organized as a self-governing Guild. To these Guilds would be left, under such conditions, the whole business of detailed administration. They would decide the actual methods by which the work had best be done. They would impose the discipline required in the interests of the whole group and of the service itself, and they would work under leaders chosen, not by any outside authority, but by themselves. In short, the whole system of administration of industry, as it has been outlined by myself in other books and by many other Guild writers, would be applied throughout the sphere of Local Government.

What, then, would be the function of the elected representatives of the citizens in relation to these various industries and services? Their concern would be, not with the day to day administration, but with the policy to be pursued, and this they would decide upon in regular consultation with the representatives of the organized producers. They would have the right to full explanation of the way in which the service was being rendered. To them would be brought all estimates and budgets of proposed expenditure, whether for current administration or for new requirements necessary for the extension of the service. Jointly with the representatives of the organized producers, they would prepare the budget of the service; and their sanction, subject to the control of the Commune (to be dealt with later), would be necessary for all abnormal expenditure, as well as for the necessary regular estimates of the enterprise. In short, they would possess all powers necessary to keep the public fully informed of the

The Future of Local Government

manner in which the service was being administered, but they would not interfere with the normal administration of it, save on those occasions when their interference was deemed necessary because something was going definitely wrong. What now a Tramway Committee, or an Electricity Committee, leaves to the appointed manager of the enterprise—and, indeed, a great deal more than the committee now so leaves—would be left under these conditions to the self-governing Guild of the tramway or electrical workers.

We may take a particular service as an example of the working of this principle. It does not matter whether the service we take is economic or cultural in character. Essentially the same principles apply. Let us take education as our example, bearing in mind that the same general conditions would hold good for the administration of any industry or service publicly organized under local or regional ownership.

On its professional or service side, education in any locality would be organized in a self-governing Education Guild, or branch of the National Education Guild. This Guild would include the whole of the workers whose co-operation is required for the rendering of the service, and in it the different groups and sections of workers, both the different kinds of teachers and the auxiliary workers who are equally necessary to an efficient educational system, would have their forms of sectional organization, and to a large extent of sectional autonomy. In each school the Guild would have its "workshop" organization, and the teachers in the school would have the chief voice, subject to the regulation of certain general conditions over a wider area, in the school administration, in the arrangement of the school work, and so on. They would be working under a head probably chosen by themselves, but in any case picked by some form of democratic choice from within the Guild by the members of the Guild. They would be free to the fullest possible extent to make experiments in diverse

Workers' Control

educational methods, and this feeling of freedom would give to their educational work the vitality which is often sadly lacking under the present officially controlled, unduly centralized, and deadening arrangements of our public educational service. The school, moreover, would be a unit in the larger self-governing entity of the Local Education Guild or branch, and this also would be governed by similar democratic methods, under which the general arrangements for the administration of education in the locality would be made.

Side by side with this professional or service organization would be the representative body or bodies chosen by the citizens to present their point of view in relation to the educational system. This body would be in constant touch on every point with the professional organization, and on the effective co-operation of the two, and the closest possible common understanding between them, the good development of educational work in the area would depend. Certainly there would be regular joint meetings between the two bodies; for it would be essential to keep the members of the Education Authority chosen by the citizens in the closest touch with the actual working of the service. Probably there would be a joint body representing both the Education Authority and the Teachers' Guild, which would be the ultimately responsible authority in matters of educational policy within the area, subject only to the co-ordinated control, dealt with in the previous chapter, of matters of general concern to the whole area, from a point of view wider than that of education alone.

I do not pretend that this is more than a very bare sketch of the manner in which such a system as that which I have been outlining would actually work; nor do I pretend that it is possible to define accurately in advance the precise structure which would be best suited to give effect to the principle of self-government in the various industries and

The Future of Local Government

services, together with effective control from the point of view of the citizens as consumers and users of them. Indeed, the precise structure adopted might well vary from case to case, and the adoption of different methods at different times and in different places would be fully consistent with the general principle of free and self-governing service. It is the principle itself, and not the precise way of applying it, that is vital.

If this method were adopted throughout the whole sphere of Local Government action, a great deal of the routine of local administration would cease to be the concern of the elected Local Authorities at all, and a great deal of the waste of direct productive and service labour which takes place under the present conditions would be eliminated. At present, we are constantly setting one man to do a job, and another man to watch him doing it; creating a huge machine to conduct and control industries and services, and another huge machine in order to prevent those actually in control from acting contrary to the public interest. I believe that the only way of escape from this régime of suspicion and duplication is to trust the producer. We must throw upon him directly the responsibility for good administration, and we must keep the elected representatives of the citizens in direct and constant touch with him in order that he may be fully acquainted with the demands of those who are to use the service which he supplies, and that the users may have the fullest possible opportunity of knowing how he is fulfilling his trust. To trust the producer in this way is, I believe, the only way in which the consumer can hope to get well and willingly served. As long as he distrusts the workers, and demands to supervise every detail of the ways in which they do their work, not only will he waste huge sums and huge amounts of labour that might be productively employed, but all his efforts will only make the producer less inclined to do good service,

Workers' Control

because they will cause him to feel that the doing of good service is not regarded as a trust imposed upon him, or one for which he is directly responsible. Men will not work well unless good reasons for doing so are brought clearly and constantly home to them by the conditions under which their work is done.

Note.—For a fuller discussion of the question dealt with in this chapter I must refer the reader particularly to my book, *Guild Socialism Re-stated*, in which I have dealt far more elaborately with this question, and with the organization of industries and services under public ownership, approaching it rather from the point of view of the administrative organization on Guild Socialist lines than from that of the elected representatives. I feel the inadequacy of the treatment contained in this chapter, but I have not the space to go over again the ground which I have already covered in this other book.

CHAPTER XVI

DIRECT *VERSUS* INDIRECT ELECTION

NOTHING has been said in the foregoing chapters concerning the method of electing representatives to serve on any of the Local Government bodies described. This, however, is a question about which it is impossible to be silent in face of the very considerable controversy which has centred, especially during the last few years, around the question of direct *versus* indirect election. This question has come into special prominence in connection with the controversy concerning Parliaments and Soviets, which has often been conducted as if the principal issue involved were the opposition between the method of direct suffrage employed in Parliamentary elections on the one hand, and the form of indirect election associated with the Russian Soviet constitution on the other. It is true that the difference between Parliaments and Soviets is very wide and goes far deeper than this; but this is at least one of the real points at issue. The opponents of the parliamentary form of Government, who do not believe that there is any superior democratic quality about the method of direct election, at any rate when, as to-day, it is employed throughout the whole sphere of Government, national as well as local, urge that Soviet advocates are right in maintaining that, in the case of authorities governing a wider area than that of the single homogeneous locality, the indirect method of election is not only preferable but also more democratic in its results.

This controversy must be clearly distinguished from the quite different controversy which centres round the question whether all the members of public

Direct *versus* Indirect Election

authorities ought to be elected by the citizens, directly or indirectly, or whether some or all should be appointed or elected by special functional bodies particularly concerned in the administrative work with which they have to deal. For example, there is the question whether the teachers should appoint or elect their own representatives on to the educational authority and whether Trade Unions or Guilds, if the administration of industry is conducted on Guild Socialist lines, should appoint their representatives to the public bodies dealing with the organization of industries under public control. It is only with the narrower issue of direct *versus* indirect election, and not with this wider issue of the representation of specific bodies on public authorities, that this discussion is concerned.

It is impossible, from the actual experience of the working of either Parliaments or Soviets, or of directly or indirectly elected bodies of any sort, to draw any positive conclusions concerning the superiority of either method. No one can pretend that our existing parliamentary or County Council elections, which are conducted on a basis of direct suffrage, show satisfactory results, or that the persons elected on the present system can be regarded, save in the most cynical sense, as real representatives of those who choose them by their votes. Nor, on the other hand, is it possible to contend that the actual working of the Soviet system in Russia, if our knowledge of it can be relied upon at all, produces results satisfactory from a democratic point of view. It seems impossible to reach any certain conclusion based simply on past experience of the respective desirabilities of the two methods.

The whole problem on which the controversy about direct and indirect election is based is a very real problem of human government. For, if the forms of functional organization which have been suggested in previous chapters of this book were

The Future of Local Government

adopted in full, with the result of securing a greatly increased definiteness of election issues, and therefore of making possible election campaigns dealing far more with realities than those which are now conducted, the problem would not be altogether solved. It would still be difficult for large numbers of men, most of whom do not know one another, and who are in many cases scattered over a wide area, to combine effectively for the choice of a representative, even in relation to a specific function. And it would be still more difficult for them, under these conditions, to exercise an effective control over the representative whom they chose or to keep him fully informed from day to day of their desires. In other words, all forms of representation are essentially imperfect, and the difficulty of securing real representation increases not only with the complexity and variety of the purposes for which representation is necessary, but also with the number of electors who have to combine for the choice of a single representative, and with the wideness of the geographical area over which these electors are dispersed.

Where two fundamental conditions are satisfied, I think there is no doubt at all that the method of direct election is the more democratic and the more effective, from the point of view of securing good administration and control by the electors over their representatives.¹ The first of these two conditions is that it shall be physically possible for the electors of the individual representative, or for as large a

¹ In using the word "representative" throughout this book, I am not raising the question of representative *versus* delegate, which seems to me to be largely an unreal issue. The way to secure control over the "representative" is not to reduce him to the status of a person acting solely under instructions, but, on broad points of principle, to subject him wherever possible to a continuous fire of organized criticism from those whom he has been appointed to represent. In fact, the elected person should occupy a position which is half-way between representation and delegation.

Direct *versus* Indirect Election

proportion of them as are likely to desire to come together, to meet for the discussion of their common problems, both apart and, for the purpose of direct criticism, with the elected person. The second condition is that all, or a sufficient proportion of, the electors of all the representatives sitting upon the body to which they after their election belong, should be able similarly to meet together for common discussion and criticism of their representatives as a collective body. Both these conditions are satisfied obviously, if the area over which the elected body exercises authority is a village or even a single town.¹ In Stow-on-the-Wold, or even in Leeds, all the electors of the individual councillor, or as many of them as are likely to wish to meet, can come together and discuss their common problems both among themselves and with their representatives. They can do this within each particular ward or district, and they can do it over the area of the town as a whole. Moreover, it is essential, if there is to be good popular government in the village or the town, that they should actually do this, and that the ward, say, of a town should be, not a mere electoral unit, but actually a centre of popular opinion, holding regular ward meetings, at which the member for the ward would be requested to attend in order to face any criticisms and suggestions which his constituents might have to make to him.

I therefore regard it as clear that, within any normal sized town or village, the principle of direct election is the right one. But, as soon as the area over which an elected body is to exercise authority becomes larger than the town or the village or a practically contiguous group of villages, the conditions mentioned above can no longer be satisfied in anything like the same measure. It may still be possible for the electors of the individual representa-

¹ With the possible exception of certain very large cities.

The Future of Local Government

tive to meet together and to criticize him; but it is no longer possible for the electors of all the representatives upon the elected body to meet and discuss their common problems. If they meet at all, they can do so, over such an area, only by delegation; that is, by introducing a second form of representative machinery to criticize the first.

Clearly this is the condition of affairs in the Regions proposed in the former part of this book. Over considerable parts of the regional area it will still be possible for the individual elected person to stand the fire of criticism from his constituency and for his constituents to meet together with a consciousness of forming a real social unit; but it will no longer be possible for all the inhabitants of the Region, or for a sufficient proportion of them, to meet together for purposes of collective criticism and discussion. I therefore regard it as doubtful whether, in the Region, direct or indirect election is to be preferred. I am not prepared to pronounce directly in favour of either system; and it may be that a combination of the two may be found to be the most desirable solution. Some persons might be elected within the Region by direct universal suffrage, and others might be indirectly elected by the smaller representative bodies, such as Town and Village Councils, within the regional area.

The reason for taking up this attitude requires, perhaps, a further explanation. I do not believe that effective control over the elected person can be exercised, or elections carried out in such a way as to secure a really representative result, unless the whole body of those who combine for the election of a single representative are conscious of a sense of social unity. By this I mean, not merely a sense of unity one with another, as citizens of one nation, but also a sense of the distinctness of the unit to which they belong from other units outside it. It is not enough that the electors of a representative to a re-

Direct *versus* Indirect Election

gional body residing in a part of the regional area should have the consciousness of the unity of the Region as a whole; for this they share with other groups of electors returning other members of the same Regional Council. They must also possess the consciousness of the unity of the actual area over which the election of their particular representative is being conducted. It is possible that this condition may be satisfied in regional elections; for it will not be necessary in choosing the regional bodies to make constituencies as large and unwieldy as those which are required for purposes of parliamentary representation under present-day conditions. But I am fully convinced that this condition is not satisfied in the great majority of cases in parliamentary elections. It is not satisfied in the countryside or in the smaller towns because the constituency is far too large for this sense of unity to exist, being, indeed, simply an arbitrary aggregate of separate units of social feeling carved out of the wider unit of the nation as a whole. Nor is it secured in the urban elections in the larger towns under the present method of carving the town artificially into a number of single-member constituencies, which frequently have no correspondence to any local feeling of unity.

Under the regional system of government, as has been pointed out already, the effectiveness of administration will depend to a very large extent on the degree of "sociability" and co-operation that can be secured between the regional authority itself and the smaller authorities included within the regional area. The Region and these smaller authorities will be partners in the exercise of the functions of public administration within the regional borders. If they are jealous of each other's power, they will be able very largely to hamper its proper exercise. If, on the other hand, they are able to work together in full harmony, they will be able to develop with the maximum of efficiency the services which the citizens

The Future of Local Government

require. Take, for example, the case of local and regional transport. The local authorities will clearly preserve certain functions in relation to transport within their own areas. The Region, also, will be an important transport authority; and it will be impossible to draw any hard and fast line between the respective spheres in transport administration of the Region and of the smaller urban and rural authorities. In these circumstances, if the two are not working harmoniously together, difficulties are bound to arise; whereas, if they co-operate harmoniously, local and regional services will be easily dovetailed into a single system. This is one very important reason for adopting, to some extent, in the working of the regional bodies, the method of indirect election. Indirect election in the Region would mean that the smaller urban and rural authorities within it would each have the right to appoint their representative on to the regional authority. Either these representatives would constitute the regional authority (indirect election pure and simple), or they would sit upon it side by side with directly elected representatives drawn from the various constituencies within the Region (a combination of direct and indirect election). Whichever of these two systems might be adopted, it seems to me clear that the arguments in favour of giving the smaller local authorities some representation of their own on the regional body are overwhelmingly strong.

I am not concerned in this chapter with the larger question of national elections, except in so far as it directly touches the powers of the regional bodies. In a previous chapter it has been suggested that it would be necessary to constitute for many purposes of common administration National Federations of Regional Authorities. The arguments in favour of giving the local authorities direct representation upon the regional authorities clearly apply with equal force to the representatives of the separate Regions on any

Direct *versus* Indirect Election

inter-regional authority. My own view is that these bodies would probably consist entirely of representatives appointed by the regional bodies themselves, and would contain no element of direct election. But I do not regard this as a vital point of principle, or as one on which it is possible to give a decided answer in advance.

Those who agree generally with the criticism of existing methods of direct election which I have put forward in this chapter, and are prepared to admit that the election itself and the control exercised by the constituents over their representatives cannot be effective unless the constituents themselves form a coherent social group with a consciousness of unity, sometimes bring forward an alternative remedy—Proportional Representation. Why, they say in effect, can we not get round the difficulty that under present conditions the electors do not form a social unit on geographical lines, by allowing them to form their own conscious social units on any basis which they may choose? For this is, in effect, the meaning of proportional representation. It involves that any group of persons, large enough to secure the quota of votes necessary to get its nominee elected, can return a member to the body for which the election is designed. One group which sets out to do this may have a functional basis. For example, the miners in any area may combine to choose a miner. Another group may be based on some one particular opinion held in common. Thus, the prohibitionists may similarly combine to get their man in. Every possible diversity of grouping is admissible under this system; and it is true to say that by means of it some sort of unity amongst the body of electors who choose their representative is secured. But proportional representation appears to me to possess disadvantages which more than counterbalance these undoubted advantages. It is, in fact, not so much a cure for the disease of present electoral methods as a way of

The Future of Local Government

modifying some of their worst results. What is wanted on the elected body is not the representation of many different "interests" based on a number of different principles—geographical, vocational, opinionative, and so on—but a clear indication by the whole body of electors of the broad lines of policy which they wish to see pursued in relation to the particular function which the elected body exists to perform. I am not seeking to rule out proportional representation altogether; for in certain types of election it may well be the best method; and it is possible that, within the general system which I have outlined, it might be adopted for a certain number of particular purposes.¹ But it does not appear to me to afford any advantages which would compensate for the necessity of conducting elections over constituencies far too large for a real consciousness of unity to exist among all the electors. The fundamental objection to it in the case of either regional or national elections is that it necessarily involves an increase in the size of constituencies. The existing constituencies are already too large for effective common action among the body of electors, and any increase would inevitably carry with it a further destruction of the sense of unity amongst the electors, which is the indispensable basis of effective popular control.

¹ I keep an open mind on the question, whether in towns returning a number of members to a regional or national body proportional representation within the town, which is a real social unit, may not be the best method of election. It has its disadvantages, even in such areas, but the town has a real social life of its own, and therefore the most important objection does not apply.

CHAPTER XVII

"WEBBISMUS"

MR. AND MRS. SIDNEY WEBB, first in a series of articles published in the *New Statesman*, and subsequently in their book "A Constitution for the Socialist Commonwealth of Great Britain," have put forward a scheme for the reorganization of Local Government differing fundamentally from that which I have advocated in this book. It is necessary, now that the general explanation of the regional system has been completed, to say something by way of comment on the alternative scheme proposed by Mr. and Mrs. Webb. There are, of course, many points of resemblance between the two; and the problems with which Mr. and Mrs. Webb are attempting to deal are essentially the same problems as I have been endeavouring to face. Mr. and Mrs. Webb set out, as I do, with a criticism of the existing structure of Local Government, based mainly on the very inadequacies to which I have drawn attention. They point out that the existing Local Government areas are manifestly unsuitable, both for some of the most important present activities of the local authorities, and still more for the extensions which they contemplate as desirable in the future. Their arguments under this head are fundamentally the same as my own. They recognize that, for many of the functions which local authorities have to perform, it is necessary to have areas far larger than those which at present exist, and that the existing method, whereby administration over such larger areas is occasionally instituted *ad hoc* by the constitution of joint authorities, detracts inevitably from the democratic character of Local

The Future of Local Government

Government service, and prevents effective popular control from being exercised over those to whom the actual administrative work is entrusted.

But Mr. and Mrs. Webb make, in connection with this criticism of the present machinery of Local Government, a statement which I do not feel that they can fully substantiate. They assert that what is wanted is an infinite diversity of areas for different purposes, and that the areas over which Local Government administration is to be exercised should be determined specifically in each case in accordance with the requirements of each particular service for which provision has to be made. Where I suggest the constitution of certain definite larger authorities, each covering a clearly marked-out regional area, they propose that each service shall have its own area, and that there shall be no necessary coincidence of the areas over which two different services are administered. With this object in view, they have taken as the basis of their projected Local Government organization a small geographical area of approximately uniform population, and they propose that these "unitary cells" of Local Government organization should be grouped on a principle which seems to be most adequately summed up in the description, "Globe-Wernicke." For the purpose of one service the "unitary cell" itself may suffice as an area of administration; for the purpose of a second service, two cells; for a third, three cells; and so on, up to those services which require to be administered over an area at least as large as that of the Regions which I have proposed. In each of these units of Local Government organization, Mr. and Mrs. Webb suggest there should be a single representative, directly elected by the whole of the voters, and giving his full time to the work in return for an adequate salary. This representative would serve, not upon any one elected Council, but upon all the various *ad hoc* bodies constituted in order to administer the different services of Local

“Webbismus”

Government required by the inhabitants of his district. For the administration of the “unitary cell” itself, there might sit with him a number of other locally elected representatives, drawn from the same area; but for all the purposes of Local Government requiring administration over an area wider than that of the single unit, he would be the sole responsible elected representative. He would thus find himself, one day, sitting on an education authority, in combination with twenty or thirty other representatives elected from other areas in the same way as himself, and on the next day on an electricity authority, perhaps with a hundred other representatives similarly chosen; the next day on a water authority, or a public health authority, and so on. In short, he would be expected to become an administrative expert in all the various aspects of Local Government work, and to interest himself equally in all forms of local activity, however diverse their character.

Mr. and Mrs. Webb base their advocacy of this system on a number of different considerations. In the first place they urge that *ad hoc* authorities have been discredited in the past, and are unsatisfactory because all the different services of Local Government are indissolubly welded together, both from the administrative and from the financial point of view. Administrative unity would, they say, be ensured by having a single representative appointed equally to deal with all the purposes of Local Government. Financial unity would be secured by making the “unitary cell” the unit of local taxation. Secondly, they urge that it is impossible, in face of the complexity of administrative work on the modern local authority, to rely any longer on “the great unpaid,” and that it is necessary for the public to pay men to devote their whole time to Local Government, as well as to parliamentary work. In the third place they urge that under their system direct popular control over the representative would be secured to the fullest

The Future of Local Government

possible extent; that the evils of indirect election would be avoided even in the case of authorities exercising control over a very wide area; and that the unity of all the needs of the district—the “principle of neighbourhood”—would be effectively recognized.

This system seems to me to be open to a number of very serious objections. In the first place, it assumes that it is possible for a man to be an administrative expert in Local Government as such, and to be a fit representative of the public, not simply in relation to education or public utilities or some other particular group of Local Government activities, but in relation to the whole sphere of Local Government action. It is true that this is the principle on which the existing structure of Local Government is mainly based; but I deny absolutely that the assumption underlying it is justified. The principal connecting link between the various functions of Local Government is that of finance, and a system of this sort, it appears to me, would be a direct incentive to the elected representative to make his primary concern, not the good performance of the duties of Local Government as such, but simply the reduction of financial commitments. Ratepayers' candidates would, I feel, have the opportunity of their lives under the system which Mr. and Mrs. Webb propose.

In the second place, their system altogether fails to make an approach towards securing that clarity of election issues which is so necessary if representative Government is to be made a reality. It still involves that elections shall centre, not round the definite controversial issues which arise within any single sphere of Local Government action, but round a medley of issues, in which the voice of the electors is confused and lost. Here again is a factor which is likely to ensure the dominance of financial considerations and of the ratepayers' point of view over considerations of effective public service. In the third place, although Mr. and Mrs. Webb state that they desire the unit of

“Webbismus”

Local Government which they propose to be as far as possible an integral unit, the dwellers in which feel a real common consciousness of civic unity, I do not believe that it would be possible to secure this under a system which involves a carving up of the country into a number of approximately equal small unitary divisions. This is not in itself a fatal objection to their proposal, which could probably be so modified as to meet it; but it is a very grave objection to it in its present form.

In the fourth place, the whole “Globe-Wernicke” proposal seems to me to be based on a wrong assumption. This assumption is that, for effective Local Government administration, it is necessary to have a wide diversity of areas each constituted for a particular purpose. It is no doubt true that, if an expert in each branch of Local Government activity were set to map out the areas most suitable as units of administration in relation to his particular sphere of work, the results, when put together, would show proposed distributions of areas and proposed boundaries differing considerably from case to case. But it is also to some extent true that, if a number of different experts in the same sphere of Local Government work were set a similar task, they too would arrive at widely differing results. For example, a glance at the map on page 161 which has to do with housing areas will show that the views of the Ministry of Health and the Building Trade employers and Trade Unions concerning the most convenient areas for the organization of the building industry by no means coincide.

But it does not in the least follow from these facts that a wide diversity of areas for different services is necessary. I believe that, if the system of Local Government which I have outlined in this book were adopted, and definite Regions were constituted with smaller urban and rural authorities of the types suggested within them, the diversity which this system

The Future of Local Government

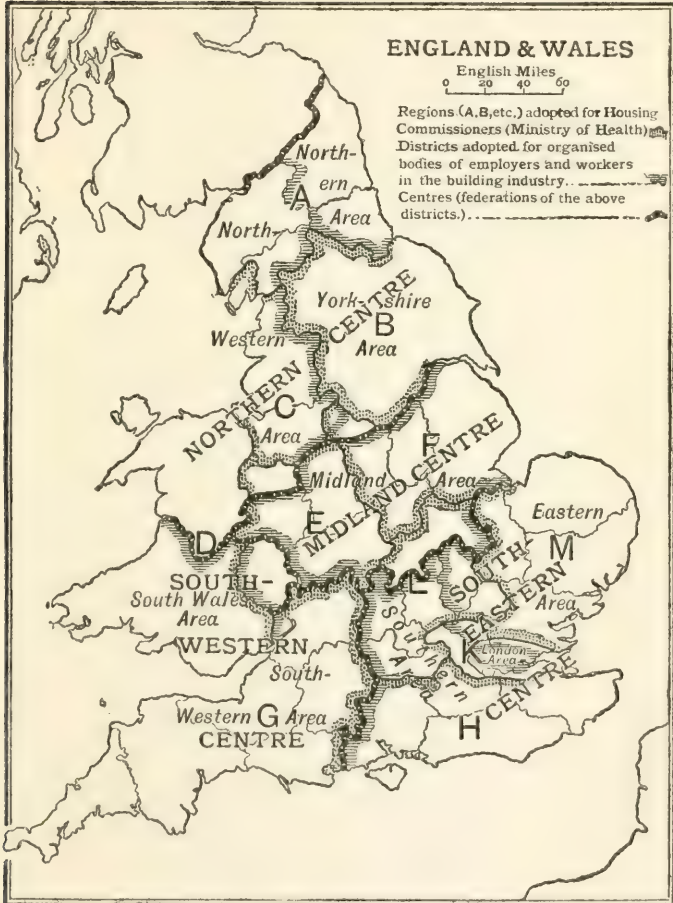
itself contains would be fully adequate, save in quite exceptional cases, for all requirements of administrative convenience. In the majority of cases, as we have seen earlier in this book, the task of administration of each particular sphere of Local Government activity (education, public health, electricity, etc.) would not be assigned completely either to the Region or to the smaller urban and rural areas within it, but would be distributed between these bodies and the Region. Thus, if we take the case of education, certain forms of educational provision and inspection would fall to the share of the Region, while other forms would fall to the share of the various urban and rural authorities. I see no reason to believe that the diversity of administrative units possible under this system is inadequate for the efficient conduct of any of the outstanding Local Government services.

There is, moreover, a very obvious and important disadvantage in the proposal advocated by Mr. and Mrs. Webb. It is all very well to say that the election of the single representative within the proposed small unit would provide for full public control; but full public control appears to me to involve for the electors far more than a direct control over the particular individual whom they elect. It involves also control over the body charged with the work of administration, acting in its corporate capacity. This control would, I fear, be utterly destroyed if Mr. and Mrs. Webb's proposals were adopted. For, in order that a body of persons may control those whom they choose to exercise administrative functions on their behalf, it is indispensable that the whole body of electors should possess a community consciousness, and should be capable of uniting in order to bring the pressure of opinion to bear upon their elected representatives, collectively as well as individually. This can only be secured, it appears to me, if the whole of the electors concerned in the choice of all the members

ENGLAND & WALES

English Miles
0 20 40 60

Regions (A,B,etc.) adopted for Housing Commissioners (Ministry of Health)
Districts adopted for organised bodies of employers and workers in the building industry.
Centres (federations of the above districts.)



The Future of Local Government

of the administrative body in question are in a position to communicate their ideas one to another and to confer together, and if they regard themselves as citizens of a clearly defined social unit, possessing continuous functions over the whole sphere of Local Government services. If I have to combine with one set of people for one group of civic functions and with another set of people for another group of civic functions, it will be difficult for any of these sets of people to develop that habit of common action which is indispensable to the exercise of real control over the elected persons by those whom they are supposed to represent.

I believe, therefore, that, in practice, Mr. and Mrs. Webb's proposal, so far from ensuring real public control over the paid full-time Local Government representatives to whom they desire to see the work of administration entrusted, would go a very long way towards destroying the possibility of such control, and would inevitably tend to develop bureaucratic administration in its worst form. At the best it would provide the electors only with a means of turning out their representative, without putting it into their power to direct a keen and instructed fire of civic criticism upon his actions. I believe that it would result in the dominance in Local Government affairs of purely financial "rate-saving" considerations, and that it ought therefore to appeal far more to those who desire to see the functions of Local Government artificially restricted than to those who regard a great expansion of them as indispensable to public well-being.

CHAPTER XVIII

LOCAL GOVERNMENT AND THE CO-OPERATIVE MOVEMENT

THE Co-operative movement, which supplies many of the personal and domestic needs of a large part of the population of this country, is not usually regarded as possessing any particular relation to the work of Local Government. It is, however, impossible to leave it out of account in any discussion of the future of Local Government based on such principles as those which are advocated in this book. For the Co-operative movement has one fundamental point of identity with Local Government regarded as a form of public service. Both local authorities carrying on such enterprises as gas and water undertakings, tramways, and other municipal industrial services, and Co-operative Societies carrying on the work of retail distribution and of production of many commodities needed for personal and domestic use, are producing on a basis essentially different from that of capitalist industry. Both alike produce directly for use and not for profit. This is not to say that the actual working of services organized either by local authorities or by the Co-operative movement is, under present conditions, perfectly satisfactory; for, although the element of private profit-making is absent, conditions akin to those of profit-making industry inevitably tend to introduce themselves, owing to the fact that both local authorities and the Co-operative movement are working in a capitalist *milieu*, and under conditions which are largely dictated by the existence of capitalist production round them. There is, nevertheless, an absolutely vital difference between their operations and those of any form of private capitalism.

The Future of Local Government

The municipality or other local authority either supplies the service which it is rendering at cost price, or, if it shows any surplus from the rendering of a service, applies this surplus to some other purpose recognized as ministering to the common good, or at the worst to relief of the rates. The Co-operative Society usually adopts the method of selling at the market price determined by capitalist conditions; but any surplus which it realizes by selling at this price is returned to the consumer in the form of dividend, and, when the dividend is taken into account, this price is cost price, subject only to such deductions as may be made from the surplus before distribution for purposes recognized as ministering to the common good of the Co-operative membership.

I am not leaving out of account the fact that under the present conditions both the local authority and the Co-operative Society are under the necessity of paying a fixed rate of interest for the borrowed money with which their service is largely carried on. This is one of the disadvantages imposed upon them by their capitalist environment. But the claims of interest are in both cases strictly limited, and the residual surplus goes to the whole body of the members, either directly, or in the form of common services.

Co-operative organization, based on the combination of consumers for the purpose of production and distribution for use and not for profit, therefore complies with one of the essential conditions of a free and democratic industrial system. It does not, however, any more than services organized by the State and local authorities, comply at present with the second condition—self-government of the service by the workers by hand and brain who are engaged in it. But this disadvantage, as it applies equally both to Local Government and to Co-operation, forms no ground for differentiation between them.

It is, therefore, necessary, in considering any proposal for the reorganization of all industries and

The Co-operative Movement

services on a basis which will eliminate private profit, to consider the possible extension of the Co-operative movement, equally with the extension of publicly-owned Local Government services, and to regard Co-operation as an alternative form for the organization of industries and services on a democratic basis in the future. Reasons have been given for urging that as many services as possible should be organized, not under the direct auspices of any national authority, but on a local or regional basis, with a view both to the avoidance of centralization and bureaucracy, and to the provision of the maximum opportunity for diverse experiment and initiative. In the sphere of services capable of organization on a local rather than a national basis, there seems every reason why the claims of the Co-operative movement to the future ownership of many such services should be recognized to the fullest possible extent. However excellent a structure may be secured for the local and regional authorities in the future, there will still be very good reason for not piling too many onerous duties upon them. Reorganization on regional lines should, indeed, make possible a great expansion; but it would not, and no scheme of organization could, make it possible for a single form of authority to undertake the ownership and control in the common interest of the whole range of industries which are at present organized mainly on a capitalist basis.

The Co-operative movement in this country has already done a very big work in the sphere both of distribution and of production. According to the latest available returns, the Co-operative Societies in the United Kingdom have a total membership of 4,131,477, and this means that they serve a very much larger number of persons. For, although sometimes more than one person in a single household is a member of the Co-operative Society, there are far more cases in which one member represents the whole household and undertakes purchases on

The Future of Local Government

behalf of the family as a whole. The Co-operative movement does not, of course, supply anything like the whole of the needs of these households; but, especially in industrial districts of the North and Midlands, where the movement is strongest, it does fulfil an increasing proportion of the total domestic requirements of a very high proportion of the working-class households. Moreover, the extent to which the Co-operative movement, through the English and Scottish Wholesale Societies, and through the productive departments of the various Stores, undertakes, not only the distribution of a wide range of products to its members, but also production in co-operatively owned factories, is steadily increasing, and would increase very much faster but for the difficulty which the movement experiences in raising the necessary capital for rapid expansion.

Consumers' Co-operation, based on the Rochdale system of sale at market price and the return of the balance to the purchaser in the form of dividend, has proved amply, over a wide range of industries, its desirability as a form of economic organization on a non-profit-making principle. In many towns and villages it has shown its capacity to replace almost completely the private shop-keeper, and, were it not for the insecurity in which a large proportion of the workers live—an insecurity which forces them to resort frequently to transactions on a credit basis—there can be little doubt that Co-operation would have made very much greater strides. Its development is naturally in the sphere mainly of the production and supply of domestic and personal utilities—all sorts of groceries and other food-stuffs, clothing, hardware, and, to a less extent, furniture and other household requirements. On its productive side, it is concerned mainly with the production of this type of commodity, or with forms of production necessary as a basis for the manufacture of this type of commodity, and it may be anticipated that its future development will

The Co-operative Movement

still be mainly on these lines and in this sphere, within which there is still an enormous field open to it. There is no adequate reason why, if the profit-making basis of industry is to be abandoned in favour of the principle of production for use, the Co-operative movement should not be so extended as to become practically the universal distributing agency, and to organize also, from the consumers' point of view, practically the whole range of productive services engaged in the making of goods for personal and domestic consumption.

This is only a very rough attempt to indicate the sphere of Co-operative activity in the future. Indeed, there is no need at all for the drawing of any hard and fast line. There is no reason why a Co-operative Society in one area should not organize a service which is undertaken in another area by a municipality or even by a regional authority. For example, both the distribution of coal and the supply and production of milk are now undertaken in certain areas by Co-operative Societies, and, in certain others, by local authorities. Both these are marginal cases lying between the probable future sphere of Co-operation and that of Local Government.

The milk supply may be regarded either as a part of the services supplying household commodities, or as a part of the public health service. The coal supply may be carried on either in conjunction with other forms of retail supply or in conjunction with the mining, transport, and public utility services, which it would be hardly urged, save by extreme Co-operativist advocates, that the Co-operative movement is likely to undertake on a large scale. There is room for a wide extension of Co-operative coal distribution and of Co-operative mining, of which a beginning has already been made, side by side with the extension of coal supply by local or regional bodies, or in conjunction with a publicly-owned mining and transport service. There is no argument for

The Future of Local Government

uniformity in such a case, unless it can be proved that very large economies will result from it. There is, indeed, every reason for variety of experiment in different areas and for the testing against each other of different forms of operation and ownership.

The Co-operative movement in the past has been always, to a considerable extent, jealous of its voluntary character. It has insisted that it is not a form of compulsory Socialism, but a method of transforming gradually the industrial system by the free exercise of their wills on the part of the members of the community. This spontaneous character of Co-operative effort has indeed given to it a very great social value, just as the voluntary development of Trade Union organization has given it a social force which no form of Trade Unionism compulsorily imposed upon the workers could possibly possess. It may be that Co-operation will always preserve, to some extent, this voluntary character. But, even if an organization springs into being voluntarily—and that is much the best way for new forms of social structure to be created—its success in securing the adhesion of a large proportion of the population, or of those concerned in the particular function with which it deals, inevitably tends, as it grows, to transform it from a voluntary into a compulsory or quasi-compulsory form of organization. This tendency has already manifested itself very clearly in the Trade Union and professional movement, and has also shown itself in certain areas, particularly in the mining districts, in the development of Co-operation. If capitalism as a social system ceased to exist, it seems inevitable that Co-operation should throughout the whole of the country come to be, to all intents and purposes, a compulsory form of organization for practically every citizen. One member, at least, of every household would almost necessarily belong to the Co-operative Society and would secure from it at least a considerable proportion of the commodities

The Co-operative Movement

which the household needed. If this were the position, would it be possible any longer to regard the Co-operative movement as standing altogether apart from and outside the actual machinery of public administration? There would, indeed, be no necessary contact between them if public administration itself were concerned, not with the supply of economic and social requirements, but purely with the protection of order and the enforcement of certain social standards. But a system of public administration such as that which has been outlined in this book, although it still possesses its "political" functions, is clearly also to a large extent a system of economic and social provision, under which the public authorities directly own and control in the interests of the whole body of citizens a wide range of industries and of services, both non-economic and economic in character. If two such forms of organization as the local and regional government machinery on the one hand and the Co-operative movement on the other, operating over the same areas and each largely concerned with the supply of economic and social needs of the citizens, found themselves in such close juxtaposition, it would be inevitable that they should, to a large extent, come together for purposes of joint action.

In short, whatever may be the actual structural relationship, in the future Society, between the machinery of Local Government and the Co-operative movement, it is manifest that Co-operation will be virtually a branch of the public administration, and that it will be necessary to make some provision for close joint working between the various functional local authorities which I have described and the Co-operative organizations. The Consumers' Co-operative movement would be, in fact, to all intents and purposes a fourth form of functional local authority working side by side, and in close conjunction, with the authorities responsible for the public health, educational, and public utility services.

The Future of Local Government

The need for close common action would become even more manifest if in the actual conduct of the whole range of services owned either by the Co-operative movement or by local authorities the principle of Guild control, or self-government in industry, were adopted. If this were the case, the actual administration both of Co-operatively and of publicly owned services would be in the hands of the workers by hand and brain engaged in the industries concerned. The various Guilds organizing these sections of workers would clearly be in close touch over the whole field of production and distribution, including the spheres both of the Co-operative movement and of the public authorities. And, when the representatives of the public authorities and the Guilds came together for the purpose of taking vital economic and social decisions concerning the appropriation of capital (that is, of labour and material) to the various industries and services in proportion to the communal need for their work, it would clearly be necessary for the Co-operative movement, representing the point of view of the domestic consumers, to have a full share in any such consultations side by side with representatives of other forms of consumption and of the producers' organizations.

Even, therefore, if the Co-operative movement remains formally a non-governmental form of organization in the future, I believe that it will inevitably become in practice a recognized quasi-public authority. In Russia, where the destruction of capitalist industrialism has been catastrophically completed, this problem has already arisen in an acute form, and has resulted in the transformation of the voluntary Co-operative movement, over large areas, into a virtually compulsory form of organization. There have been big disputes in Russia on the question whether the Co-operative movement ought to be absorbed into the Soviet or State organization, or whether it should retain its independence and its

The Co-operative Movement

voluntary basis even under the political conditions prevailing in Russia. These conditions have induced the Communists to take measures to ensure their control over the Co-operative movement as a part of their policy of proletarian dictatorship. There is no need to anticipate that this issue will arise in this country in the same form. But in some form it inevitably will arise, if by any means capitalist industrialism is displaced in favour of an alternative economic system. It is not necessary to face in advance actual problems the nature of which cannot be accurately foreseen; but it is necessary for the facing of these problems when they do arise that we should make up our minds concerning the general position which the Co-operative movement is likely to occupy in the Society of the future.

Most Socialists in the past have been inclined to regard Co-operation as an essentially transitional form of organization, owing its existence and its peculiar conditions to the capitalist system by which it is surrounded. In a Socialist Society, they have urged, all forms of production and distribution will be publicly owned and controlled. No Socialist, indeed, thinks it desirable to nationalize all industries and services; but it has often been urged that all should be placed under the ownership of either national or local public authorities. There is, however, a growing distrust of the advocacy of any such universal system, and most Socialists are now willing to concede that, in the future Society, although Co-operation will no doubt be largely transformed, and such devices as the "dividend" on purchases may disappear with the social conditions which have made them necessary, the Co-operative movement itself will remain in being as an essential form for the social organization of certain important groups of industries and services. The recognition of this principle by the whole Labour movement is of very great

The Future of Local Government

importance if the effective joint working of Trade Unionism and Co-operation is to be secured.

On the other hand, some schools of Co-operators have been inclined to put forward the Co-operative organization of industry as itself a complete and satisfactory alternative, not only to capitalism, but also to State or Guild Socialism. Why, they have said, should not all industries and services be brought directly under Co-operative ownership and control? The reasons against this seem to me to be sufficiently evident. In the first place, Co-operation as a form of industrial organization owes its force and stability to the fact that it is a satisfactory method of giving to the consumer in the sphere of domestic and personal consumption an effective control over the conditions of supply. If it were widened to include the whole range of industries and services, it would lose its peculiar character as an organization representing the *domestic* consumer, and would at the same time, I believe, necessarily lose its social force and its truly democratic character. Co-operative organization as a basis for the universal supply of all sorts of goods and services would be open to the same objection as any other system which would place the whole economic organization of Society in the hands of a single body. It would ignore altogether the vital principle of functional differentiation. In the second place, the actual administrative work which would be crowded upon Co-operative Societies by such an expansion of their scope would create an organization far too unwieldy for efficient administration or real popular control. It is essential to have a number of different forms of organization engaged in supplying the needs of the citizens. Co-operation is one essential form; but it is not the only form. If there were no Co-operative movement, the attempt to municipalize all local services would place impossible burdens even on the best organized local authorities of the future. The solution lies in a distribution of the burden

The Co-operative Movement

amongst a variety of types of authorities, provided that in all of them the basis is that of production for use and not of production for the profit of any individual or group.

Throughout this chapter I have been speaking entirely of the consumers' Co-operative movement, which in this country represents the overwhelming mass of Co-operative effort. There is, however, also the much smaller movement based on Co-operation among producers, and in various parts of the country there exist Co-operative factories and self-governing workshops which have accomplished the task of production under democratic conditions, with a large measure of success. These are valuable social experiments; but, while they satisfy the second condition mentioned at the beginning of this chapter—that of freedom for the producer in industry—they have still in many cases almost inevitably, under the capitalist conditions with which they are confronted, to adopt the method to some extent of production for profit. The Building Guild organization, the most recent experiment in industrial democracy, is not open to this objection; for it has throughout insisted successfully on the principle of service to the community at cost price. If the Co-operative producers' movement is to survive in the future Society it must, while retaining its principle of industrial self-government, purge itself of the elements of profit-making industrialism which still cling to it. When the principle of industrial self-government is recognized in the consumers' Co-operative movement, as it will have to be under pressure from the Co-operative employees, if for no other cause, it will be recognized that the reason for a differentiation between the two forms of Co-operative effort has disappeared. Producers' co-operation as a form of productive administration will then merge in the Guild organization of the various industries and services, and as a form of ownership in the consumers' Co-operative movement.

CHAPTER XIX

TOWARDS THE COMMUNE

THE discerning reader will have been aware, at one point or another in the course of the exposition contained in this book, of implications and suggestions which go considerably beyond the sphere of Local Government activity as it is ordinarily understood. Indeed, the reorganization of Local Government which is here proposed is put forward, not only as something good and useful in itself, and as a step that would be beneficial even if it were taken in isolation and the rest of the mechanism of present-day Society were left substantially undisturbed, but also as a part of a wider scheme of social reorganization deliberately intended to lead to the substitution for the present social order of a new one founded on essentially different principles. In other words, this book is the work of a Guild Socialist—a study of Local Government from a Guild Socialist point of view, and an attempt to point the way towards a reorganization of Local Government which would harmonize with the proposals for a revolution in the control of industry which form the basis of the Guild Socialist system. I do not mean that I have sought to subordinate considerations of Local Government to wider considerations of political and social policy; for I believe that the proposals which I have outlined would by their own superiority greatly improve the efficiency of Local Government work. Many of them could be carried out without any parallel development of workers' control in industry, and by men strongly opposed to Guild Socialism. I admit, however, that I hardly think that they could be carried through completely without bringing in their train far more

Towards the Commune

important and far-reaching changes in the social structure. They are not likely to be brought about by any force except the force of organized Labour expressing itself as political power; and this power, if it is strong enough to enforce these changes in the sphere of Local Government, will certainly be strong enough to see that they are accompanied by parallel changes of at least equal magnitude throughout the whole sphere of economic and social organization.

While, therefore, the Local Government changes which I have advocated stand in one sense by themselves, and on their own merits, in another sense they do not, and it is only fair to the reader that I should put before him, as clearly as I can in a brief space, the wider implications which seem to me to be involved in the changes proposed in this book. The Local Government structure, and the regional organization of Society which I have outlined, would not fit in with the "Sovereign State" as we know it to-day, or with the existing constitution of our industrial system. They are designed to be parts of, and to fit in with, an essentially different kind of social structure.

As I have shown in an earlier part of this book, one of the outstanding developments of the past century has been the growth round the State of vast new administrative duties and powers. The State, a hundred years ago, had, of course, certain duties in this sphere of administration; but it was still mainly a body concerned with law and order internally, and with warfare, economic and political, externally. It was still mainly, both as to the intensity and as to the spread or extension of its powers, a coercive machine. It has not at all, to-day, abandoned these coercive functions; but it has added to them huge new duties which are primarily administrative.

No one who has read this book will be left in much doubt as to the view of its author concerning the merits of the State as a form of administrative organi-

The Future of Local Government

zation. I believe the State to be necessarily, by virtue of its composition and of its other duties, a bad administrator; and I therefore believe that, in any future Society that is worth working for, it will be necessary to provide for the transference from the State to other forms of social organization of the huge mass of administrative duties that has grown up around it. I am not raising here that other question as to the propriety of concentrating coercive powers in the hands of an organization such as the State. I am dealing only with the State as an administrative body, and in this connexion I assert that it will be necessary by no means to find *a single substitute* for the State to which its administrative functions can be transferred, but to diffuse the responsibility for administration far more widely throughout the community, and to provide for the carrying on of administrative work as far as possible on a local and highly decentralized basis.

As soon as this principle of decentralization is recognized as one which it is desirable to extend as widely as possible, the paramount importance of Local Government organization becomes manifest. If we are to diffuse amongst a variety of different organizations the present administrative duties of the national State, clearly the smaller authorities existing within the State area have a strong claim to the succession of such of those duties as demand to be exercised by all the citizens, or the representatives of all the citizens, within a particular area. The objections which apply to the highly centralized national State need not apply in the same way to smaller bodies exercising jurisdiction over more manageable areas, even if these bodies reproduce to some extent, on a smaller scale, the structure of the State itself. It is not, however, enough merely to decentralize or to substitute for the State a number of Local Government organizations. The creation of a number of regional parliaments would by no means

Towards the Commune

cure the disease from which Society is suffering, or prevent many of the disorders which arise from the dropsical condition of the State from reproducing themselves in the various Regions. The challenge to existing institutions which is implicit in this book goes considerably deeper than any mere criticism of the unwieldiness, because of its size and the magnitude of its duties, of the present State organization. There is implicit, not only the desire for decentralization, but also a challenge to the theory of representative "democracy," worked through parliamentary institutions, which gained almost universal acceptance during the last century.

The theory of representative government, as it was understood by the Victorians, involved that a number of men living together within the same definite area should be capable of choosing one person to represent them, not simply in relation to some particular desire which they might have in common, or some particular opinion to which they might desire to give expression, but completely, in relation to all their opinions and desires, subject only to the necessity for a periodical re-election of which the electors might take advantage in order to renew or to withdraw their confidence. This form of organization does not seem to me to be democracy at all, or to admit of the possibility of any real ascertainment of the wills and opinions of the people. I have urged again and again in the course of this book that the multiplicity and diversity of issues not only at parliamentary but also at Local Government elections under the existing system make it impossible for the electors either to secure representatives who really express their will in relation to any particular sphere of Local Government work, or to exercise any effective control over their representatives when they have once been chosen. I should now like to make clear the basis on which this opinion rests. I do not believe that it is possible for one man to take upon himself the

The Future of Local Government

responsibility of representing other men; and to that extent I challenge, and the opinions contained in this book challenge, the whole theory of representative government as it was understood during the last century. But by this view I do not mean, of course, that no forms of representation are possible at all, although there is undoubtedly a certain imperfection which is necessarily involved in all forms of representative machinery; for all elected persons have to some extent wills of their own which contradict the wills of their constituents. The condition of that tolerably good representation which is the best that we can hope to secure in human institutions is that the representation should be, not absolute, but related to some specific piece of work or group of duties which the representative, or the body upon which he is appointed to sit, is called upon to undertake on behalf of those who elected him. It is possible to get a tolerably good form of representation if the citizens of a town are called upon to choose somebody to represent their views in relation to educational matters. It is not possible if they are called upon to choose someone who is to represent their views on all matters.

Behind the whole of the proposals which I have been putting forward lies, then, the desire for the substitution for the universalized representative system which has prevailed during the past century of a system of *functional representation*. This is at once a new and very old idea. There is nothing at all new in the idea that the right way of organizing Society is not to build up a great and inclusive machine of Government and to assign to it absolute and sovereign power in every sphere of social action, but to organize separately, and on lines suited to its own peculiar character, each separate sphere in which organized social action is recognized as desirable. That is the basis on which Society has been organized at more than one period in the past. It is pre-eminently an

Towards the Commune

idea which dominated Society during the Middle Ages.

But there is, perhaps, something new and important in the close relation established in the Guild Socialist theory, as I have advocated it in other books, between this idea of functional organization, and the theory of representative government on a democratic basis. The essence of my contention is that, in order to get a healthy Society well administered and responding effectively to the will of its members, it is necessary to do at least two things. In the first place it is necessary to organize Society, throughout, on functional lines, and to make the form of organization designed for the fulfilment of each social purpose appropriate to that purpose; and in the second place, it is necessary, within the organization set up for each of these purposes, to adopt the basis of representative democracy, which only under these conditions, that is, when it is combined with the idea of function, becomes a real instrument of effective popular control. In other words, what is wanted is a merging of the ideas of mediæval functionalism with those of Victorian "democracy." Out of this union will spring the real *functional democracy* of the future.

Society, as a complexity of human associations of many different kinds, can best be regarded as the result of many different comings together of human wills and instincts into different forms of organization designed for the fulfilment of human purposes and desires. There will be no truly organized community until all the organizations through which the wills of the citizens and their desires find expression are gathered together into the structure of the community as a whole and their working co-ordinated as far as is necessary in order to bring about the greatest possible measure of common action. In the past an arbitrary division has been made by the social theorists and the politicians alike between certain parts of this complex of organized wills which are regarded

The Future of Local Government

as belonging to the public machinery of the State, and certain other parts which are regarded as falling definitely outside it. Parliament and the machinery of Local Government are State institutions. A Trade Union or a Co-operative Society, however, whatever may be the social purpose which it exists to fulfil, falls outside the State as it is ordinarily understood. I am contending that this distinction is not, as so many people have supposed, fundamental, or even at bottom sound at all. Recent controversies in Russia which have centred round the question whether the Trade Unions and the Co-operative Societies should or should not be recognized as a part of the State machine, give point to the view which I am putting forward. Any scheme for the reorganization of Society has to take into account and to recognize not only those parts of the social mechanism which have been in the past regarded as public bodies, but also to an increasing extent other bodies which have no such officially recognized public character, although they are increasingly used by the State itself as organs of administration.

The tentative suggestions which I have made in one or two of the previous chapters concerning the structure of the local and regional (and perhaps also of the national) authorities of the future involves the breaking down of this line of distinction between public and non-public bodies, or at any rate the placing of it at a very different point from that at which it is placed to-day. I have suggested the constitution, in each area, of a number of distinct functional authorities, each elected directly or indirectly by all the citizens of the area, and each entrusted with the care of a definite sphere of social action. In dealing with the Co-operative movement, I have suggested that it must be regarded as a fourth form of functional local authority equally important with those to which the care of education, health and public utilities are entrusted. In discussing the or-

Towards the Commune

ganization of industry under the new system, I have urged that the actual responsibility for the conduct of the various industries and services should be placed in the hands of those directly engaged in them, and that the organizations representing these workers (Guilds, as I should call them) must also be recognized as public bodies sustaining an important part of the civic will within the areas over which their duties are exercised.

I look forward, then, to a structure of the community in which all these various types of bodies, Guilds and Co-operative Societies, as well as functional local authorities, and perhaps other bodies of which it is impossible at present to forecast the exact nature, will come together for the determination in common of the most vital principles of public policy within the area. The importance, in any functional system, of Local Government, and especially of co-ordinating the work of the various functional authorities, has been largely recognized; but this need for co-ordination and close common working applies not only as between the functional local authorities themselves and the Co-operative organizations, but also to an equal extent to the Guilds or organizations of producers.

I want therefore in every area, local, regional or national, a body which I call the "Commune," in which all these various groups of elected persons will be brought together for the common determination and discussion of vital questions of policy in which they are all concerned.

I have no space in this book to explain fully how such a system might be expected to work in detail, or how these various authorities might actually be related one to another and might exercise their common tasks. For a fuller statement of these points I must refer the reader elsewhere;¹ but it would have

¹ See especially the chapters on the structure and working of the Commune in my *Guild Socialism Re-stated*.

The Future of Local Government

been impossible for me to leave my proposals for the reorganization of Local Government as incomplete as I should feel them to be if they were not accompanied by a clear indication of the wider objects underlying them and of the broader social implications which they seem to me to involve.

INDEX

- Ad hoc* authorities *v.* general, 126 *et seq.*
 Mr. and Mrs. Sidney Webb on, 158 *et seq.*
 "Administrative Devolution," 20, 21, 36 *et seq.*
 Administrative units, reform of, 7, 13, 14, 30 *et seq.*, ch. ix.
 Arsenals, State and, 113
- BIRMINGHAM and county administration, 12
 "conurbation" of, 47, 51, 62
 municipal trading in, 5
 Borough council, 9, 28, 29, 36, 74, 78, 80, 88, 92
 Boundary Commission, 44
 Bradford, 30, 76
 city council committee system, 37
 Bristol as regional centre, 51, 63
 Brun, M. Charles-, "Le Régionalisme," by, 41
 Building guilds, 138, 173
 Bureaucracy and Parliament, 25
- CAMBRIDGE as regional capital, 69
 Capital, levy on, 96
 Capitalist methods, 45
 "Centimes additionnelles," 101
 Central government, 6, 18
 Centralization, administrative, 5-8, 74, 96
 "Chaos and Order in Industry," 112
 Charles-Brun, M., 41
 Civic spirit, 27 *et seq.*, 31, 32
 Coal Commission (1919), Inquiry of, 115, 138
 Coal, co-operative distribution of, 167
 Communal services, as source of revenue, 107, 108
 Commune, regional, 181
 "Conurbations," 31, 45, 54, 76
 Co-operation of producers, 173
 Co-operative movement, 105, 106
 principles of, applied to public services, 107, 108, 122, 163 *et seq.*
 Co-operative societies, membership of, 165
 Co-ordination and municipal services, 78
 County, administration of, 12, 28, 89
 as social unit, 28, 34, 56
 under regional government, 89
 County borough, 10, 88, 92
 County council, 9, 10, 11, 12, 28, 29, 31, 43, 73, 74, 89, 93
 County districts, new, 90, 92
 Cultural services, local authorities and, 129
 Cumberland, 57
- DECENTRALIZATION, 20, 21, 30-33, 176
 Devolution, administrative, 6, 20 *et seq.*, ch. v.
 House of Commons Committee on, 37
 Dialects, 41
 Direct taxation, Labour preference for, 104
 Dockyards, State and, 113
- EAST MIDLANDS and regional planning, 51, 53
 Eastern counties "Region," 68, 71
 Eastern Midlands "Region," 68, 69, 71
 Economies, demand for, 3
 Education, 3, 9, 16, 76
 areas, 87, 106
 local authorities and, 128, 129
 regional authority and, 83, 85, 86
 Education Act (1918), 4

Index

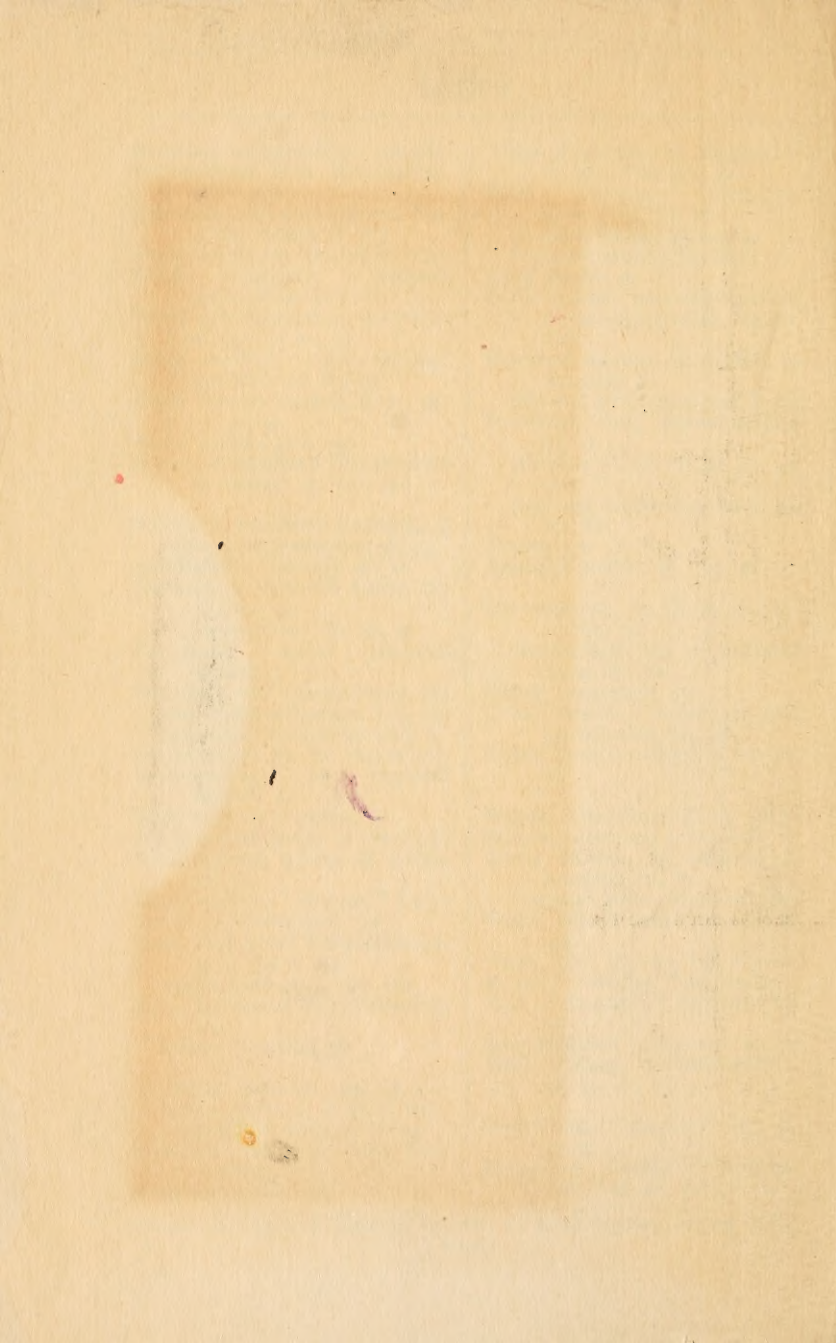
- Education guild, 142, 143
 Elections, indirect methods of, 152
 under regionalism, 146 *et seq.*
 Electrical power, and transport, 16
 regional authorities and, 79, 82
 Electricity authorities, joint, 119, 120
 Engineering factories under regional authority, 115
 England, Regions of, 44 *et seq.*
 Essex, 72
 FAWCETT, MR., and regional administration, 42
 "The Provinces of England," 52
 Finance, co-ordination in local, 135
 regional, 94 *et seq.*
 "Five Towns," 47, 53
 Functional representation, 178
 "GAS and water" socialism, 1, 113
 Gas supply, 77, 80
 General Confederation of Labour and Industrial Nationalization, 113, 114, 116
 Grants in aid, 5, 7
 Guardians, Boards of, 9, 11 (footnote), 30, 126, 127
 Guild socialism, 38, 39, 110, 138, 139, 147, 172, 174
 "Guild Socialism Re-stated," 124, 146, 181
 Guilds, self-governing, for public services, 141, 181
 "HOME RULE," all round, 37
 Hospitals, regional authorities and, 83
 House building, speculative and State-aided, 7
 House of Commons Committee on devolution, 37
 theoretical functions of, 19
 Housing Commissioners, areas of, 43
 and Ministry of Health, 6
 Housing, in relation to water, gas, electricity and transport services, 77
 building operatives and, 138
 problem of, 14, 35
 regional authorities and, 79
 INCOME tax, local, 97, 98, 99
 regional assessment for, 100
 "Industrial Nationalization," 114
 Industry, private *v.* public ownership, 109, 110
 regionalism and, 112, 113
 Ireland, "independent nation," 36 (footnote)
 JOINT authorities, 16, 78, 119, 120
 regional system and, 121
 Jowett, F. W., "Committee System" of, 37
 LABOUR and joint authorities, 120
 and local government, 1, 175
 Labour movement, local government programme of, 3
 Lancashire, "conurbation" of South and Mid, 46, 51
 regional planning of, 48, 49, 57
 Lancastria, "Region" of, 59, 60, 70, 73
 Land values, rating of, 97, 98, 101
 "Le Régionalisme," by M. Charles-Brun, 41
 Leeds as "single city," 30, 76
 Liberals and Nationalization, 111
 Lighting service in relation to housing, 77
 Lincolnshire, 59, 68
 Loans, difficulty of obtaining, 3
 Local Education Authorities, 127
 Local Government, and Labour movement, 1 *et seq.*
 reorganization of, 8
 London, "conurbation" of, 43, 45
 regional planning of, 49, 66

Index

- London County Council, 10, 46,
49, 91
- MANCHESTER City Council, and
land values, 97
- Maps, regional, 42, 44
- Medical service, organization of,
by Ministry of Health, 6
- Metropolitan boroughs and
Labour, 2
- powers of, 10, 91
- Metropolitan "Region," 65, 66,
71, 73
- Metropolitan Water Board, 78
- Milk, co-operative distribution
of, 167
- Mines, Nationalization of, 111,
115, 116, 138
- regional authorities and, 121
- State and, 124
- Ministry of Health, and Hous-
ing Commissioners, 6
- organization of medical ser-
vice by, 6
- Ministry of Labour, administra-
tive areas of, 52
- Morrison, Mr. Herbert, and
Metropolitan Water Board,
78
- Municipal socialism, 1, 38
- "Municipal trading," 4, 38,
113
- Municipalities and housing bye-
laws, 75
- benefit of regional adminis-
tration to, 74
- NATIONAL Debt, 95
- National education guild, 142
- National federation of regional
authorities, 119, 152
- National unity, 27
- Nationalization, Liberals and,
111
- objections to, 111
- Parliamentary difficulties of,
38
- regional autonomy and, 112
et seq.
- Socialists and, 111, 112
- New Statesman*, articles by Mr.
and Mrs. Sidney Webb
in, 155
- Newcastle, "conurbation" of,
47, 51, 57
- Non-county borough, 88
- Northumbria, "Region" of, 57,
58, 70
- Nottingham, as regional centre,
53, 67
- "conurbation" of, 51
- group of towns, 47
- PARISH COUNCIL, 9, 11, 31, 89, 93
- Parliament, and Local Govern-
ment, 19, 22, 23
- bureaucracy and, 25
- devolution and, 36
- v.* Soviet, 146
- "Peakdon," regional centre of,
52
- Plymouth, as regional centre, 53,
64
- Poor Law, 127
- Poor Law Commission (1834),
128
- Post Office, State and, 112, 125
- Press and Parliament, 24
- Proportional representation, 153
- Public health, 3, 9, 16, 38, 128
- regional authorities and, 83
- Public services, conditions of
workers in, 137, 138
- Co-operative principles ap-
plied to, 107
- guilds, for administration of,
141
- regional finance and, 103 *et
seq.*
- Socialist system of, 105
- workers and, 139
- Public utilities, 113, 115, 128,
129
- RAILWAYS, 27, 58, 82, 111
- Rates, 2 *et seq.*, 99
- "Region," powers and func-
tions of, 74 *et seq.*, 85
et seq.
- Region planning, 14, 15, 75
- Regional areas, 56 *et seq.*
- elections for, 146 *et seq.*
- Regional centres, 44 *et seq.*, 70
et seq.
- Regional organization, 18 *et
seq.*, 40 *et seq.*, 73

Index

- Regional socialization, 114-118
 Regionalism and Nationalization, 112
 Representative government, Victorian theory of, 177
 Representatives, control of, 148
 Road transport, regional authorities and, 82
 Rural administration, problems of, 40, 73, 80, 92
 Rural district, under regional government, 89, 90
 Rural district council, 9, 11, 30, 31, 74, 93
 Rural parish, new, 90
 Russia, compulsory Co-operative movement in, 170, 180
- SCOTLAND, education bodies in, 9
 regional organization of, 44
 Shaftesbury, borough of, 10
 Sheffield, as regional centre, 46, 52, 57, 59
 "conurbation" of, 46, 51
 Shipyards, under regional authority, 115
 Socialists, and Co-operation, 171
 and Nationalization, 111, 112
 municipal enterprise and, 1
 Socialization, 82, 85, 109 *et seq.*
 Southampton, as regional capital, 65
 South-eastern counties, 65
 South-eastern group of towns, 48
 South-western group of towns, 48, 53
 South-western "Region," 63, 73
 Soviet *v.* Parliament, 146
 State, and Local Government, 2, 5, 6, 175 *et seq.*
 regionalism and, 122, 123
 State industrial establishments, 113
 "Sydney" rating, 97
- TAXATION, indirect, 104, 107
 Taxation, local, 2, 3, 94 *et seq.*
 regionalism and, 95 *et seq.*
 Taxation, national, and local burdens, 102
 Teachers' guild, 143
- "The Provinces of England," by Mr. Fawcett, 52
 Town planning, municipal powers in, 75, 76
 problem of, 14, 35, 43, 92
 regional authorities and, 79
 Town wards, 91
 Trade unions, and appointment of administrative bodies, 147
 Tramway services, in relation to housing, 77
 regional authorities and, 81, 82
 Transport, local administration of, 15
 problem of, 14, 27, 30, 41, 73, 76
 regional authorities and, 79, 80, 81
 Trusts, 110
 Tyneside towns, 47, 51, 58
- UNIVERSITIES, 52, 58, 61, 63, 65, 67, 69, 70
 development of, on regional lines, 83, 86
 Urban congestion, 14
 Urban district, under regional government, 88, 92
 Urban district council, 9, 10, 30, 78
- WALES, "Region" of, 44, 47, 71
 Walthamstow, *not* a borough, 10
 Water service, in relation to housing, 77, 80
 regional authorities and, 82
 Webb, Mr. Sidney, 129, 156 *et seq.*
 Webb, Mrs. Sidney, 156 *et seq.*
 Wessex, "Region" of, 65, 70
 West of England "Region," 64, 70
 West Midland "Region," 62, 70
 West Riding, "conurbation" of, 46, 51, 57
- YORKSHIRE, "Region" of, 58, 59, 70
 Yorkshire, South, "conurbation" of, 47, 51



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